

Introduced on 10 February 2011 by the Minister for Science, Technology and Innovation (Charlotte Sahl-Madsen)

Bill

for an

Act amending the University Act, the Act on Technology Transfer etc. at Public Research Institutions and the Act on Social Housing etc.

(Follow-up on the evaluation of the University Act, international education cooperation and company formation in connection with study programmes offered abroad etc.)

1.

The Act on Universities (the University Act), cf. Consolidation Act no. 754 of 17 June 2010, is amended as follows:

1. In *section 1, subsection (2)*, the following is inserted after 'are': 'government-funded'.

2. *Section 2, subsection (2)*, is worded as follows:

'(2) The university has academic freedom. The university must safeguard the academic freedom of the university and the individual and the ethics of science.'

3. In *section 3, subsection (1), first sentence*, the following is inserted after 'offer': 'in Denmark'.

4. *Section 3, subsection (1), third sentence*, is repealed and replaced by:

'Programmes offered in Denmark, cf. the first sentence, also include the special cases where parts of a programme are taken at universities abroad (off-site instruction). The Minister lays down detailed rules on off-site instruction.'

5. *Section 3, subsections (3)-(12)*, are repealed.

6. The following is inserted after section 3:

3a. In collaboration with one or more foreign universities, the university may offer all or parts of programmes pursuant to section 3 abroad. The individual parts of the programmes are taken at the university and at one or more of the foreign universities. The parts taken at the foreign universities may be optional or compulsory. If the entire programme is completed abroad, the university may allow the foreign university to offer the programme, provided that this is done in collaboration with the Danish university.

(2) In collaboration with foreign universities, the university may offer programmes pursuant to section 4, subsection (1), no. 2), as part of Erasmus Mundus study programmes, where the individual parts of the programme are taken at the university and at one or more foreign universities, as agreed between the relevant universities (Erasmus Mundus Master's programmes).

(3) The university must ensure that its programmes pursuant to subsections (1) and (2) are quality-assured. The programmes may either be quality-assured in

Denmark in accordance with the Act on the Accreditation Agency for Higher Education or abroad in accordance with the relevant quality assurance systems there. However, the quality assurance institution selected must be registered in the European Quality Assurance Register for Higher Education (EQAR) or otherwise be regarded as internationally recognised. If foreign quality assurance is selected, the programme must subsequently be approved by the Ministry of Science, Technology and Innovation.

(4) Separate quality assurance is not required in cases where the parts taken at the foreign university are optional or have already been accredited as a part of the Danish programme.

(5) Students admitted to the Danish university are covered by the provisions governing the foreign university and not by this Act during the period when they are enrolled at such foreign university. Students admitted to a foreign university are covered by this Act during the period when they are enrolled at the Danish university.

(6) The university may issue a Danish diploma to students who have completed a programme pursuant to subsection (1) or (2) abroad. The university may issue a diploma to students who have taken parts of their programme at the university without being admitted to the university in question, cf. subsections (1) and (2).

(7) The Minister lays down the rules governing the offering and completion of programmes pursuant to subsections (1)-(6), including on the issue of diplomas. In this connection, the Minister may derogate from the provisions in the Act on programmes

7. In *section 8a, subsection 1*, the following is inserted: 'For programmes offered by universities pursuant to this Act,' and 'electronic' is amended to: 'digital' and boards of studies.'

8. In *section 8a*, a new subsection is inserted after subsection (1):

'(2) For programmes offered by the universities as authorised by another minister, cf. section 7, and according to agreement with such minister, the Minister may lay down rules stipulating that communication between the university and enrolled students and applicants for the programmes in question must be fully or partly digital.'

Subsection (2) then becomes subsection (3).

9. Section 10, subsection (6), is worded as follows:

'(6) The board ensures the codetermination and involvement of staff and students in material decisions.'

10. Section 10, subsection (8), is worded as follows:

'(8) The board enters into a development contract with the Minister, who may in that connection set up specific targets. The development contract may cover all parts of the university's activities and must comprise targets for the activities and efforts which are found to be of particular importance.'

11. Section 10, subsection (11), is repealed.

12. In section 11, subsection (4), 'auditors' is amended to: 'institutional auditors'.

13. Section 12, subsection (3), is worded as follows:

'(3) The external members are appointed in their personal capacity. An external member is appointed for a maximum period of eight years distributed on at least two terms of office. The external members must have experience in management, organisation and finance, including assessment of budgets and financial statements.'

14. In section 12, a new subsection is inserted after subsection (3):

'(4) The university sets up a body to nominate the external board members (the nomination body). The university sets up another body to appoint the external members (the appointment body). The nomination and appointment bodies may not be identical. The nomination and appointment boards must ensure that the external members fulfil the requirements stipulated in subsections (2) and (3). The board lays down procedures for the appointment of the nomination board and the appointment board.'

Subsections (4) and (5) then become subsections (5) and (6).

15. Section 12, subsection (5), which becomes subsection (6), is repealed.

16. The following is inserted as a heading before section 13:

'Statutes'

17. Section 13 is worded as follows:

'13. The board lays down the university's statutes and amendments thereto. The Minister approves the university's statutes.

(2) The statutes must contain provisions governing:

- 1) Openness in relation to the board's activities pursuant to section 10, subsection (2), including openness relating to the procedures for nomination and appointment of external board members.
- 2) Appointment of the nomination body and appointment body for the board's external members pursuant to section 12.

3) The terms of office for external board members, cf. section 12, subsection (3).

4) The internal organisation of the university, cf. section 14, subsection (7).

5) Codetermination and involvement of staff and students, cf. section 10, subsection (6).

6) Appointment and dismissal procedures, cf. section 10, subsection (7), and section 14, subsection (4).

7) Establishment, composition and tasks of the academic council, the employer panel, the PhD committee, the board of studies and, if relevant, the board of representatives and on the board of studies' nomination of directors of studies.

8) Any special conditions on the management of Master's (*candidatus*) programmes.'

18. The following is inserted as a heading before section 13a:

'Employer panels'

19. In section 13a, subsection (3), first sentence, the following is inserted: 'In addition to the assignments stipulated in the statutes'.

20. Section 14, subsection (1), second sentence, is worded as follows:

'The rest of the management undertake their assignments by authorisation from the rector.'

21. Section 14, subsections (4)-(11), are repealed and replaced by:

'(4) The rector appoints and dismisses the heads of the organisational academic units. The head of an academic unit must be a recognised researcher and must have experience in the educational field to the relevant extent.

(5) The rector sets up one or more graduate schools for PhD programmes and appoints the head of the graduate school. The head of the graduate school must be a recognised researcher and must have experience in the educational field to the relevant extent.

(6) The rector may allocate specific tasks to specific staff. The academic staff has academic freedom and is free to conduct research within the university's strategic research framework during the time when they are not performing their tasks. The university's strategic research framework covers the entire profile of the university. The academic staff cannot be occupied with allocated tasks during all of their working hours for an extended period of time, resulting in them in fact being deprived of their academic freedom.

(7) The rector sets up the university's internal organisation within the framework established by the board.

(8) The rector presents the budget for adoption by the board and signs the annual report.

(9) The rector lays down rules on disciplinary measures for students.

(10) The rector is authorised to sign for the university, with the exception of decisions pertaining to real estate, cf. section 10, subsection (4), and makes decisions in all

cases, cf., however, section 10, subsections (1) and (5)-(9), section 15, subsection (2), no. 4), section 16b, subsection (2), nos. 3) and 6), and section 18, subsection (4), nos. 3) and 4).

(11) The rector must approve all external collaboration binding the university.

(12) In special cases, the rector may dissolve academic councils, cf. section 15, subsection (1), PhD committees, cf. section 16b, subsection (1), and boards of studies, cf. section 18, subsection (1). In addition, in special cases, the rector may take over the tasks of academic councils, cf. section 15, subsection (2), PhD committees, cf. section 16b, subsection (2), and boards of studies, cf. section 18, subsection (4).'

22. *Section 15, subsection (1)*, is worded as follows:

'The rector sets up one or more academic councils, including to ensure codetermination and involvement of staff and students in respect of academic issues. More academic councils may be set up, both at the same and at different organisational levels.'

23. In *section 15, subsection (2)*, the following is inserted as no. 5):

'5) Other assignments as stipulated in the university's statutes.'

24. *Section 15, subsections (4)-(7)*, are repealed and replaced by:

'(4) The academic council is composed of the rector or the academic manager at the organisational level to be covered by the academic council and of members representing the academic staff, including PhD students under university contracts, and the students at the organisational level to be covered by the academic council. Representatives for the academic staff, including PhD students with university contracts, and for the students are elected by and from among the academic staff, including PhD students with university contracts, and the students, respectively.

(5) The academic council elects a chairman from among its members.'

25. *The heading before section 16* is repealed.

26. *Section 16* is repealed.

27. *The heading before section 16a* is repealed.

28. *Section 16a* is repealed.

29. The heading before *section 16b* is worded as follows:

'PhD committees'

30. *Section 16b, subsections (1)-(7)*, are repealed and replaced by:

'16 b. The rector sets up one or more PhD committees, including to ensure that the students and the academic staff are able to exert their influence on the PhD

programme.

(2) The PhD committee has the following tasks:

- 1) Nominating to the rector a chairman from among the members of the PhD committee's academic staff and perhaps a vice-chairman from among the students of the PhD committee.
- 2) Making recommendations to the rector on the composition of assessment committees.
- 3) Approving PhD courses.
- 4) Submitting proposals for internal guidelines for the graduate school, including the PhD guide, to the head of the graduate school.
- 5) Issuing opinions to the head of the graduate school on the evaluation of PhD programmes and supervision, including international evaluations of graduate schools.
- 6) Approving applications for credit transfers, including advance credit transfers, and for exemptions.
- 7) Issuing opinions on all issues of importance to the PhD programmes and supervision presented by the rector.
- 8) Other assignments as stipulated in the university's statutes.'

Subsections (8) and (9) then become subsections (3) and (4).

31. *Section 16b, subsection (9)*, which becomes subsection (4), is worded as follows:

'(4) Several universities may collaborate on the establishment of graduate schools based at one of the participating universities.'

32. *The heading before section 17* is repealed.

33. *Section 17* is repealed.

34. *Section 18, subsection (1)*, is worded as follows:

'The rector sets up one or more boards of studies, including to ensure the students' and the academic staff's codetermination and involvement of staff and students in programmes and teaching.'

35. *Section 18, subsection (4)*, is worded as follows:

'(4) In addition to the tasks stipulated in the statutes, the board of studies is charged with the organisation, completion and development of programmes and teaching, including:

- 1) Assuring and developing the quality of programmes and teaching and ensuring follow-up on programme and teaching evaluations.
- 2) Preparing proposals for the curriculum and amendments thereto.
- 3) Approving a plan for the organisation of teaching and of tests and other assessment forming part of the exam.
- 4) Approving applications for credit transfers, including advance credit transfers, and for exemptions.
- 5) Issuing opinions within its field on all issues of importance to programmes and teaching and discussing matters regarding programmes and teaching presented to it by the rector.'

36. Section 18, subsections (6)-(9), are repealed.

37. In section 18a, subsection (1), 'subsection (6)' is amended to: 'subsection (4)'.

38. In section 19, subsection (2), the following is inserted after 'university': 'in Denmark'.

39. In section 19, the following new subsections are inserted after subsection (2):

'(3) Subsidies for the parts (optional or compulsory) of approved programmes abroad offered by the university alone or in collaboration with one or more universities pursuant to section 3a, subsection (1), are provided on the basis of the rates stipulated in the annual Appropriation Acts and the number of active full-time equivalents for the part of the programme taken in Denmark. In cases where there is a requirement for mutual exchange, subsidies are paid for students enrolled at the foreign university for the part of the programme taken in Denmark, provided that they are exchanged with students enrolled at the Danish university subject to an agreement between a Danish university and a university abroad.

(4) Subsidies for the approved programmes abroad offered by the university pursuant to section 3a, subsection (2), are provided on the basis of the rates stipulated in the annual Appropriation Acts and the number of active full time equivalents for the part of the programme taken in Denmark.

(5) The universities are covered by the rules in the Budget Guidelines governing government-funded, independent institutions.'

Subsections (3)-(8) then become subsections (6)-(11).

40. In section 19, subsection (7), which becomes subsection (10), the following is inserted after 'section 4, subsection (1)': ', or section 7'.

41. In section 19, subsection (8), which becomes subsection (11), 'subsection (7)' is amended to: 'subsection (10)'.

42. In section 20, subsection (3), the following is inserted as the second sentence:

'The university may offer full programmes pursuant to section 3a, subsection (1), according to the rules governing income-generating activities.'

43. Section 21, subsection (4), first sentence, is worded as follows:

'When offering full programmes abroad in cooperation with a cooperating university pursuant to section 3a, subsection (1), or in connection with research cooperation, the university may provide subsidies to one or more foreign universities.'

44. In section 26, subsection (2), '(5) and (7)' is amended to: '(8) and (10)'.

45. In section 26, subsection (4), third sentence,

'subsection (7)' is amended to: 'subsection (10)'.

46. Section 28, subsections (2)-(5), are repealed and replaced by:

'(2) The university's financial statements are audited by the Auditor General in accordance with the Act on Auditing of the State Accounts etc.

(3) Pursuant to section 9 of the Act on Auditing of the State Accounts etc., the Auditor General and the Minister may agree that auditing tasks pursuant to subsection (2) be undertaken in cooperation between the Auditor General and an institutional auditor. The institutional auditor is appointed by the university board and must be a state-authorised public accountant. Unless otherwise stipulated in this agreement, the university's information for use in the calculation of state subsidies must be included in the institutional auditor's report or statement on the financial statements.

(4) The Auditor General and the Minister must be informed of the appointment and dismissal of institutional auditors and on the reason for any change of auditors.

(5) The annual report must be signed by the board and by the rector, cf. section 10, subsection (5), and section 14, subsection (8).

(6) The Minister may lay down rules on financial reporting in accordance with the rules governing state accounts applicable from time to time.'

47. In section 38, subsection (8), 'or the Aarhus School of Business' is omitted.

48. The following is inserted after section 40:

'40a. After negotiations with the Minister of Education and the Minister of Finance, the Minister for Science, Technology and Innovation may approve the merger of the Engineering College of Aarhus and Aarhus University.'

2.

The Act on Technology Transfer etc. at Public Research Institutions, cf. Consolidation Act no. 753 of 17 June 2010, is amended as follows:

1. The title of the Act is amended as follows:

'Act on Public Research Institutions' Commercial Activities and Cooperation with Foundations'

2. Section 1 is worded as follows:

'1. The purpose of the Act is to increase competitiveness and strengthen public research institutions' relations with the external environment by the following means:

- 1) Public research institutions may form and own public limited companies to promote the transfer of new knowledge and technology between research institutions and trade and industry, cf. section 4.
- 2) Universities may form and own public limited

- companies to offer full programmes abroad pursuant to section 3a, subsection (1), and section 20, subsection (3), of the University Act, cf. section 4a.
- 3) Support for new cooperation between public research institutions and foundations, associations and the external environment, cf. sections 10-13.
 - 4) Universities may let or sublet facilities for use by service industries, cf. section 13a.'

3. In section 4, subsection (1), first sentence, the following is inserted after 'section 1': ', no. 1),'.

4. The following is inserted after section 4:

'4a. For the promotion of the purpose of the Act under section 1, no. 2), a university may form and own one or more public limited companies and be co-owner of one or more public limited companies formed by other universities under this provision. The public limited companies must have a domicile and head office in Denmark in accordance with their articles of association.

(2) The university's investment in companies under subsection (1) or acquisition of shares in such companies may not exceed the higher of the following amounts at any time of investment:

- 1) DKK 5 million or
- 2) 3% of the university's education subsidies from the Danish University and Property Agency in the relevant fiscal year.

(3) For the calculation under subsection (2), investments are included at their value on the investment date and shares are included at their value on acquisition or transfer.

(4) The participating university/universities must own the companies in full.

(5) A public limited company formed under subsection (1) may comply with its purpose by forming or acquiring shares in public or private limited companies which have the same purpose as the public limited company. Public limited companies formed under subsection (1) may not on their own or together own shares in companies covered by the first sentence to such an extent that the latter companies establish a connection to a single public limited company formed under subsection (1) or a single university like that of a subsidiary to a parent company under the Companies Act.

(6) The participating university/universities must use revenues in the form of profit from the public limited company for activities within the purpose of the university.

(7) In its annual report, the university must report

investments and acquisitions under subsection (1) and the commercial transactions between the participating university/universities and the public limited companies in which the university holds shares.

(8) The Minister for Science, Technology and Innovation may, with the approval of the funding authorities, adjust the amount limits in subsection (2).

5. In section 5, subsection (1), and section 7, subsections (1) and (2), 'section 4' is amended to: 'sections 4 and 4a'.

6. Section 6 is worded as follows:

'6. A public limited company formed under this Act must have as its purpose to carry out activities with a commercial aim and on market terms in connection with either

- 1) technology transfer, cf. section 4, or
- 2) offering of programmes abroad, cf. section 4a.'

7. In section 8, subsection (1), no. 1), first sentence, the following is inserted after 'section 6': ', no. 1),'.

8. Does not apply to the English version.

3.

The Act on Social Housing etc., cf. Consolidation Act no. 1040 of 1 September 2010, as amended by Act no. 1610, section 1 of Act no. 1611 and section 1 of Act no. 1612 all of 22 December 2010, is amended as follows:

1. In section 115, subsection (6), section 118, subsection (3), first sentence, and section 143, subsection (2), second sentence, 'technology transfer etc. at public research institutions' is amended to: 'public research institutions' commercial activities and cooperation with foundations'.

4.

(1) The Act enters into force on 1 July 2011, cf., however, subsections (2) and (3).

(2) Section 1, subsection (2), section 19, subsection (5), and section 28 of the University Act, as stipulated in section 1, nos. 1), 39) and 46), of this Act, enter into force on 1 January 2012.

(3) The Minister for Science, Technology and Innovation specifies the date on which section 1, nos. 3)-6), 38), 39) and 41)-45) will enter into force.

(4) The university's amended statutes must be submitted for the Minister's approval on 1 March 2012, at the latest.

Explanatory notes

General notes

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1. Introduction

The need for qualified labour is increasing, and students are becoming more mobile in their search for the best possible education. The traditional academic fields are changing and evolving, and education and research are becoming more and more interdisciplinary. Internationally, more research funding is awarded in competitions which are also open to Danish universities.

If Danish universities are to achieve and maintain a position as being among the best in the world, these challenges must be met. The objective is to shape the institutional framework in a way that ensures that the universities will have a high degree of self-determination and will exercise this responsibly with the considerable public funds granted to the sector.

In Denmark, this development has been met with several institutional reforms.

The 2003 University Act made the universities independent institutions within the public administration. The governance structure was changed from a management elected by peers to a professional management, where all managers from the rector to the head of department are appointed. Boards with a majority of external members were introduced. The codetermination and involvement of staff and students would continue to be ensured. The new governance structure for universities was not the only change. As an integrated part of the reform, the universities were to be given more autonomy. As part of the 2002 political compromise on the new University Act, the parties to the compromise listed 10 degrees of freedom which have subsequently been implemented.

One of the ideas behind the mergers of universities with universities and government research institutions in 2007 was to create the basis for synergy effects in both research and education and to use the resources available at the former government research institutions to support education on Bachelor, Master's and PhD level.

The general purpose of the reforms was to strengthen the ability of universities to act strategically in the global competition. They must have the necessary size to focus on special areas and establish general administrative support functions and quality assurance systems. This Bill has been drafted in continuation of this work.

Danish universities are already cooperating with the best foreign universities on study programmes and research. Over the past 5-10 years, the universities have focused on entering into strategic education cooperation with the top foreign universities.

Today, the universities' opportunities to offer and market programmes abroad are also in focus.

In order to ensure that Danish universities are attractive partners and are able to attract the best qualified researchers and students, they must have the best possible

framework for international cooperation.

2. Background

2.1. The 2009 university evaluation

Based on the Danish Folketing's adoption of proposal no. V 9 in connection with the hearing of enquiry no. F 3 on the merger of universities and F 21 on codetermination at universities on 16 November 2006, an evaluation of five themes in the university area was performed from December 2008 to December 2009. The evaluation was performed by an independent evaluation panel consisting of five members appointed by the Minister for Science, Technology and Innovation following discussions among the signatory parties to the agreement.

The purpose of the evaluation was to examine how far the universities had come in the fulfilment of the objectives of the university mergers in 2007. In addition, the evaluation was to shed light on the employees' and the students' codetermination at the universities, the free academic debate and academic freedom under the University Act then in force. Finally, another purpose of the evaluation was to examine the development of the universities' levels of autonomy, including the development and effect of state governance and the financial governance instruments applicable to the universities.

Based on this work, the evaluation panel made recommendations on how to improve the Danish university sector within the five areas. These recommendations were aimed at both state regulation and at the universities' internal practices. The recommendations did not concern the one-tier management structure introduced with the 2003 university reform.

2.2. The 2009 analysis of the management, regulation and efficiency of independent institutions

In June 2006, the Danish Government's Finance Committee initiated an analysis of independent institutions receiving state subsidies. The work was performed by a working group with representatives from the Ministry of Finance, the Ministry of Economic and Business Affairs, the Ministry of Education, the Ministry of Science, Technology and Innovation, the Ministry of Social Affairs and the Ministry of Culture.

The objective of the analysis was to contribute proposals for general rules regarding funding for independent institutions which set out the legal margin for funding in respect of the establishment and subsequent financial administrative management of independent institutions.

Based on this work, the working group presented its recommendations for the future management of

independent institutions in the April 2009 report 'Independent institutions – management, regulation and efficiency'. The recommendations concerned regulation and management of independent institutions, including regulation through subsidies, audit requirements, the internal financial and administrative management of the independent institutions and a definition of the concept of independent institutions.

2.3. *Explanation of the Danish rules on university programmes in an international context*

According to the explanatory note to Bill no. L 119 amending the University Act (2009-10 parliamentary year), an overall assessment of the different types of international education cooperation which Danish universities may take part in must be performed and this must include the legal and financial basis for this cooperation. Work has been undertaken to identify the areas in which the current legislation stood in the way of the universities' cooperation opportunities.

3. *Contents of the Bill*

3.1. *The education provisions of the University Act*

3.1.1. *Current law*

3.1.1.1. *International education cooperation*

There are currently separate rules on six different forms of international education cooperation:

- Full Danish programmes offered abroad with a cooperating university.
- Full Danish programmes offered abroad without a cooperating university.
- Parallel programmes.
- Joint programmes.
- Erasmus Mundus Master's programmes.
- Off-site instruction.

Danish universities may offer *full Danish programmes abroad with a cooperating university* and issue a Danish diploma. The programme is formally offered by the foreign university, but it must be approved for being offered in Denmark.

The universities may also offer *full Danish programmes abroad without a cooperating university*. This is covered by the rules on income-generating activities. The Danish university may issue a Danish diploma and award a Danish degree to students who have completed a programme offered abroad under these rules.

A *parallel programme* is a part of an approved Danish programme which the student may elect to take at one or more universities abroad. The parallel programme corresponds to (is equivalent to) the programme completed in Denmark. It is a condition for parallel programmes that a mutual agreement has been made between the universities on the exchange of students. In addition, the individual university must organise its overall offering of parallel programmes in a way that

ensures reciprocity and economic balance in the exchange with the foreign universities.

A *joint programme* is an approved Danish programme where some parts of the programme may only be taken at one or more universities abroad. This also requires reciprocity in the agreement and economic balance in the exchange at university level.

Erasmus Mundus Master's programmes are independent programmes offered in cooperation with at least two European universities. The programmes are subsidised by the EU's Erasmus Mundus programme as an Erasmus Mundus Masters Course (EMMC) or are awarded an Erasmus Mundus Brand Name (EMBN).

A Danish university may decide to set up part of the teaching on an approved programme as *off-site instruction*. This means that teaching will take place at a foreign education institution. Only full-time programmes (Bachelor and Master's programmes) may be offered with off-site instruction.

The rules governing internationalisation of university programmes have been adapted and amended over time, as the need for new forms of internationalisation of university programmes has arisen. The legislative work has been based on the need to solve specific problems without an overall focus on the framework of the universities' international education cooperation. This has solved the challenges at hand, but has also led to a comprehensive set of rules, where the rules on, among other things, the students' legal rights and quality assurance are not the same for the six different forms of international education cooperation.

3.1.2. *The proposed scheme*

3.1.2.1. *International education cooperation*

Some of the current rules make the universities' international education cooperation with foreign universities difficult. In addition, the implementation of the rules for the six different forms of international cooperation differs. For this reason, it is suggested that Danish universities be given a wider scope for entering into strategic education cooperation with the best universities in the world and that the rules be aligned and simplified. In addition, the intention is to future-proof the rules governing the universities' international education cooperation by extending the Minister for Science, Technology and Development's powers to lay down special rules governing education abroad.

With the proposed split of the current section 3 into a new section 3 and a section 3a, the provisions of the University Act on Danish university programmes abroad are now brought together under one provision, section 3a. Section 3 now contains the existing rules for Danish programmes in Denmark.

Today, universities may only offer joint programmes in special cases and provided that the programmes fulfil certain criteria. The result of this has been that only one

joint programme has been approved since the introduction of joint programmes with Act no. 337 of 18 May 2005 amending the University Act (completion of programme elements abroad, conducting tests and examinations abroad, scholarship and grant scheme and fees for certain foreign students). With section 3a, the universities are given a general opportunity to offer all or parts of programmes abroad alone or in cooperation with foreign universities. The universities are free to decide whether the programme elements to be taken abroad are to be compulsory or optional for the students.

With the Bill, the current rules on joint programmes and on parallel programmes will be repealed. The Bill introduces no changes in relation to the universities' options for concluding exchange agreements with foreign universities. Economic balance at sector level is still a condition for the exchange of students.

Today, it is necessary for one third of a programme to be taken in Denmark in order for a Danish diploma for the programme to be issued. However, this has in many cases barred Danish universities from entering into promising education cooperation, where, e.g., the Danish university and three strong foreign universities each offer a semester for a Master's (*candidatus*) programme.

The requirement that one third of a programme must be taken in Denmark in order for a Danish diploma to be issued has been dispensed with in the offering of full Danish programmes abroad with or without a cooperating university.

The Bill repeals this requirement. In future, a Danish diploma may then generally be issued if a Danish university offers a programme – as the sole provider or a co-provider – which is fully or partly taken abroad.

Sole provider or co-provider means that either the Danish university offers one of its programmes abroad without a cooperating university or that the Danish university has chosen to enter into cooperation with one or more foreign universities and that the Danish programme is offered in the framework of this cooperation.

As a consequence, a Danish university may issue a Danish diploma, a joint diploma or a multiple diploma for the programmes. The option of issuing joint and multiple diplomas is made general and may be applied to education cooperation where parts of a programme are offered abroad and to full programmes abroad with the cooperating university.

When issuing a joint diploma, a Danish diploma may be endorsed, signed or the like by one or more foreign universities, making it appear as a joint document and making it enforceable under foreign law. Similarly, a Danish university may endorse, sign etc. a foreign diploma, making it appear as a joint document and making it enforceable under Danish law.

The option of issuing joint and multiple diplomas is in a number of cases a condition for Danish universities' participation in binding international education

cooperation.

The current rules on Danish students' legal rights in connection with international education cooperation imply that Danish universities must 'export' the Danish rules in a number of situations. This may render administration difficult for the Danish universities when it comes to international education cooperation. For the offering of programmes abroad with a cooperating university, joint programmes and parallel programmes, there are special requirements for the students' legal rights abroad. No similar requirements apply to the part of a programme taken abroad for Erasmus Mundus Master's programmes or for the offering of programmes abroad without a cooperating university.

It is proposed that the rules be simplified and aligned so that Danish rules apply to the part of a programme taken in Denmark and foreign rules to the part of a programme taken abroad.

The current rules use three different models for quality assurance of the programmes offered in the framework of international education cooperation. Quality assurance by ACE Denmark, quality assurance by a foreign quality assurance institution registered in the European Quality Assurance Register for Higher Education (EQAR) or an 'internationally recognised' foreign quality assurance institution. Danish universities are currently often rejected as partners because the foreign universities will in practice in certain circumstances be made subject to the timetable applicable to Danish accreditation. With the Bill, Danish universities are free to decide which quality assurance institution is to assure the quality of the programmes when offering programmes abroad either alone or in cooperation with others. If foreign quality assurance is chosen, the programme must subsequently be approved by the Ministry of Science, Technology and Innovation. The Bill corresponds to the current rules on the offering of programmes abroad without a cooperating university.

It is noted that the new rules do not concern or amend the universities' current rights to conclude bilateral exchange agreements with universities abroad. This means that it will still be possible to conclude exchange agreements entitling the students to credit. As this option is maintained, it no longer seems to be necessary to introduce special rules governing parallel programmes, as these may be considered a form of permanent exchange programmes with standardised credit transfer.

3.2 The governance provisions of the University Act

3.2.1. Current law

3.2.1.1. Management structure

The purpose of the reform of the universities' management structure in 2003 was to strengthen the management and further the university powers to act and make decisions.

The reform introduced boards with a majority of

external members and representatives for the students, the academic staff and the technical and administrative staff. The work of the board must be surrounded with openness, procedures for which must be specified in detail in the individual university statutes.

The staff and student representatives on the board have been personally elected by the groups which they represent on the board. As these members are elected, there are no separate requirements governing their competences. The university statutes lay down the details concerning electoral period, including the duration of the period and any possibilities for re-election of the staff and student members of the board.

The university may set up a board of representatives, which besides its advisory functions may, at the discretion of the university, appoint some or all of the external members of the board.

The rector, deans, directors of the academic units, heads of departments and sector managers of academic units are appointed leaders. As the overall principle, the board appoints the rector. The rector appoints deans and directors of academic units who in turn appoint heads of departments and sector managers of the academic units. Deans appoint directors of studies on recommendation from the boards of studies and appoint heads of graduate schools.

Each university has one or more academic councils. These councils consider academic issues and issue opinions on all academic issues of material importance to the academic activities of the university. The PhD programmes are conducted at one or more graduate schools. In addition, there are one or more departments charged with research and education. One or more boards of studies are set up to ensure that the students have influence on the programmes and teaching.

Academic councils, PhD committees and boards of studies may delegate tasks to committees under these bodies. This delegation is regulated by the general public administration principles of internal delegation between collegiate bodies. Committees set up under academic councils, PhD committees and boards of studies are composed of members of the relevant body with the same proportional composition as this body.

It is not possible to provide a more precise indication of the general limits of delegation in accordance with these principles. However, it must to a wide extent be possible to delegate the preparation of cases for academic councils, PhD committees and boards of studies to committees. Academic councils, PhD committees and boards of studies should also be able to leave decisions to committees, if this is deemed necessary. However, this is subject to restrictions. For example, decisions of great substantive importance on the establishment/change of practices may generally not be delegated. Similarly, it is not possible to delegate so many tasks that academic councils, PhD committees and boards of studies are in effect rendered superfluous.

The Minister for Science, Technology and Innovation holds regular meetings with the chairmen of the boards in order to maintain a close dialogue.

3.2.1.2. Codetermination and involvement of staff and students

Codetermination and involvement of staff and students are the responsibility of the board. The dean must set up an organisation that is able to manage all tasks of the main academic area aided by the students, the academic and the technical and administrative staff.

In addition, the head of department must organise the department so that it is able to manage all relevant tasks aided by the students, the academic and the technical and administrative staff.

3.2.1.3. Academic freedom

The individual researcher enjoys academic freedom within his or her academic work area with the obligations resulting from employment. The individual researcher is thus free to choose methodology, approach and subject within the strategic framework laid down by the university for its research activities as laid down in the development contract.

The head of department may use his or her power of direction to allocate specific tasks to the individual researcher, but the individual researcher is free to conduct research within the strategic framework laid down by the university for its research activities provided that he or she has not been allocated such tasks.

3.2.2. Considerations and recommendations from the evaluation panel

3.2.2.1. Management structure

The evaluation panel's general conclusion in respect of autonomy is that, with the university reforms, the universities are now stronger institutions and should, in turn, be given a greater scope to manage their own affairs and make strategic decisions. The challenge has been and continues to be to make the universities coherent institutions that conduct research and offer education and knowledge dissemination at the highest international level and are strong enough to handle the challenges and the competition from foreign universities.

The evaluation panel recommends a process where, on the one hand, government regulation is changed in the direction of 'governance at a distance' and where, on the other hand, universities ensure that they are worthy of this trust by showing that they are able to be strategic actors and to live up to society's and political expectations.

The evaluation panel recommends a 'high-trust strategy', where universities are given more autonomy to manage their own affairs and make strategic decisions through less regulation. With regard to the universities' management and organisation, it is thus proposed to deregulate part 3 of the University Act on the governance etc. of the

universities.

3.2.2.2. Codetermination and involvement of staff and students

The evaluation panel finds that the 2003 University Act generally provides a sound framework for codetermination and involvement of staff and students at the universities, but notes that the universities have not adequately ensured codetermination and involvement of staff and students and met the challenge of developing a new management culture.

The recommendations on codetermination and involvement of staff and students are primarily directed at the universities which should develop procedures and a framework providing a high degree of codetermination and involvement of staff and students, set up more precise procedures for the appointment of managers and external board members and implement management training programmes. However, it is recommended that a general provision be inserted into the University Act, stipulating that the university boards are responsible for ensuring codetermination and involvement of staff and students at the universities.

3.2.2.3. Academic freedom

The evaluation panel concludes that there are no serious restrictions of academic freedom – in the sense of the right to freely choose a research subject and methodology and free publication of research results – at the Danish universities.

In spite of this, the evaluation panel recommends that section 17, subsection (2), of the University Act be either repealed or amended. The scope is the academic freedom for the individual, which is subject to 'negative limitation', such that the academic employees are free to conduct research within the strategic framework laid down by the university for its research activities, provided that they are not allocated other tasks. The evaluation panel believes that this provision has a negative symbolic significance which exceeds its actual significance for the management at the universities. The disputes regarding this section reduce the universities' power of penetration unnecessarily and, in turn, also the cooperative relations internally at the universities.

3.2.3. The proposed scheme

3.2.3.1. Management structure

The purpose of the Bill is for the individual university to be given greater flexibility to set up their own organisation. It will no longer be necessary for universities to be organised with faculties and departments. At the same time, the requirement for appointment of faculty deans and heads of department will be abolished. The rector will then set up the university's internal organisation within the framework established by the board in the statutes. With further autonomy in this area, diversity will be allowed between the universities,

just as the universities will be capable of adapting their organisation to the current situation quicker, including increased codetermination and involvement of staff and students in a number of areas.

It is a prerequisite for increased autonomy in the area that the individual university in its statutes describes the internal organisation chosen, including how codetermination and involvement of staff and students is ensured. As now, the statutes must be prepared by the board and approved by the Minister. In this way, the Minister is able to control that the universities' organisations live up to the basic principles of the University Act.

It is proposed to make it clearer that all powers are delegated by the rector. The provisions on the other academic managers are repealed. This means that what is left is that the academic managers perform their tasks as delegated by the rector. The university is free to set up its own organisation, including which managers are responsible for the different tasks. The one-tier management structure at the university is maintained and may comprise both academic and administrative managers. Academic managers may have both academic and administrative responsibilities. An academic manager will always have to report to another academic manager, while an administrative manager may either report to an academic or an administrative manager. For example, an academic manager may not report to a university director. The academic council, the PhD committee or the board of studies issue opinions within their own fields and to the person to which the rector has delegated authority.

3.2.3.2. Codetermination and involvement of staff and students

The purpose of the Bill is to clarify the board's responsibilities; however, it is still expected that staff and students are effectively involved at all organisational levels. In addition, detailed rules governing codetermination and involvement of staff and students must be laid down in the statutes. The purpose of this is to follow up on the evaluation panel's recommendations specifying that the university boards should demand that the universities' senior management in cooperation with the academic staff and the students develop procedures and organisational mechanisms to ensure that staff and students are effectively involved in accordance with modern management practices in knowledge organisations and the Danish (and Nordic) traditions in the university sector. The setting up of procedures for codetermination and involvement of staff and students must respect the one-tier management structure.

No later than three years after the entry into force of the Act, it will be examined whether the universities have adequately ensured codetermination and involvement of staff and students.

3.2.3.3. Academic freedom

The purpose of the Bill is to contribute to clarifying the

correlation between the individual academic freedom for the academic staff and the institutional academic freedom for the university.

3.3. The universities' development contracts

3.3.1. Current law

Since 1999, the universities have concluded development contracts with the Minister for their activities. The purpose of the development contracts was to promote and support the universities' strategic development through dialogue between the Minister and the individual universities. The present contracts include targets for all of the universities' activities.

3.3.2. Considerations and recommendations from the evaluation panel

Up to now, the development contracts have not made the intended impact as a dialogue-based instrument for the regulation of the universities' activities. The current contracts have been criticised for not adequately addressing the situation and challenges of the individual universities, while the contracts have also been criticised for having too many and too detailed targets.

Against this background, the evaluation panel recommended that the development contracts should be set up in a way that ensures that they may be used as individual performance management instruments. For this reason, a new and simplified concept for development contracts which take account of the development of the individual university is now proposed.

3.3.3. The proposed scheme

The purpose of the development contracts is still to promote the strategic development of universities and to support their strategic work. For this reason, it is proposed that the development contracts be strengthened both as an internal management tool at the universities and as an external tool for the Minister for Science, Technology and Innovation to render the universities' activities aimed at fulfilling societal objectives more visible.

The Bill involves four major amendments of the present concept for the development contracts.

Firstly, the development contracts will be made more focused by reducing the number of targets markedly.

Secondly, the development contracts will be made more targeted based on the needs of the individual universities, through targets which have been worded specifically with the relevant university in mind.

Thirdly, flexibility will be enhanced in the concrete development of the development contracts – e.g. with a view to strengthening the performance management element of development contracts – by abolishing the requirement that certain activities must be included in the development contracts.

Finally, it is proposed that the development contracts be

made more effective by introducing the option for the Minister of Science, Technology and Innovation to set up specific targets. By simplifying the framework of the development contracts and then transforming them into binding agreements on the university's targets, the role of the development contracts in the regulation of universities will be strengthened, as recommended by the evaluation panel. The amendment is, thus, a natural element of the deregulation process which was started with the adoption of the 2003 University Act.

3.4. The finance provisions of the University Act

3.4.1. Current law

The universities are covered by the rules in the Budget Guidelines governing independent institutions with the additions and derogations provided for in the special subsidy provisions of the Danish Appropriation Act.

In addition, the universities are covered by the rules governing state authorities' accounts and audit with the derogations resulting from the Minister's implementation of the rules in the Executive Order on the Funding and Accounts etc. of Universities.

Under the current law, the individual university must organise its overall offering of parallel programmes in a way that ensures reciprocity and economic balance in the exchange with the foreign universities. For joint programmes, there is a requirement for reciprocity in the agreement and economic balance in the exchange at university level.

3.4.2. Considerations and recommendations from the inter-ministerial working group

The inter-ministerial working group recommended that the economy and administration of independent institutions in future be regulated through cross-cutting acts and a limited number of executive orders. This concerns a domain-specific act governing universities (the University Act), a domain-specific act governing educational institutions under the Ministry of Education (excluding private independent schools), a domain-specific act governing the maritime programmes and a domain-specific act governing the independent cultural institutions.

In addition, the working group recommended that all provisions on subsidies be set out in one set of rules under the Appropriation Act. This will not introduce any changes in the institutions' and the ministries' economic conditions relative to the current rules on subsidies.

3.4.3. The proposed scheme

The purpose of the proposal is to adapt the University Act in order for the provisions governing subsidies, accounts and audit to follow the recommendations from the working group. With this, the provisions will be harmonised across the ministries' fields of responsibility.

Under the Ministry of Science, Technology and

Innovation, the University Act is already a domain-specific act. For this reason, amendments of the University Act are only implemented to incorporate the joint rules on subsidies, accounts and audit.

In future, all government-funded, independent institutions must apply the joint state rules governing accounts and audit. The universities are already covered by the Act on Public Accounts etc., and the rules governing accounts and audit are included in the executive order on subsidies and accounts. As a consequence of the Bill, the rules governing accounts will in future be set up under the provisions of the Act on Public Accounts etc. and be implemented under the Order on Public Accounts and the Ministry of Finance's Financial Administrative Guidance.

With regard to financial reporting, changes may be introduced relative to the current regulation to the extent that such regulation deviates from the rules governing public accounts, e.g. use of the State's chart of accounts and requirements for the annual report. To the extent that the Ministry of Science, Technology and Innovation wishes, on behalf of the universities, to determine general useful lives for special types of assets or propose changes to the current general useful lives, the Ministry of Finance is willing to discuss this in order to arrive at a possible adaptation of the general rules, including shorter depreciation periods for laboratories and any other dedicated buildings. Until any general amendments of the rules on public accounts have been agreed, the universities' current depreciation periods may be maintained through the Danish Agency for Governmental Management's exemption from the state rules providing for a depreciation period of 50 years.

All amendments of the Executive Order on the Presentation of Financial Statements and the rules governing public accounts must be heard in advance by the Danish Accounting Council which comprises the Ministry of Finance, the Ministry of Education, the Ministry of Science, Technology and Innovation, the Ministry of Culture, the Ministry of Economic and Business Affairs and the National Audit Office of Denmark.

With regard to the audit provisions, it is envisaged that the administrative burden will be reduced through fewer instructions and audit opinions. For the universities, the current regulation is substantively unchanged; however, the universities' order on subsidies and accounts will be simplified.

In relation to the provisions on subsidies for education activities abroad, there is still a requirement for reciprocity in all agreements concluded by Danish universities with foreign universities on the exchange of students (exchange agreements) and economic balance at sector level.

The university must organise its overall offering of elements of approved programmes abroad in a way that ensures reciprocity and economic balance in the exchange

with the foreign universities. Reciprocity and economic balance will be assessed over a period of time and for the entire university sector as a whole.

The Minister intends to follow the developments in student exchanges between Denmark and other countries in order to assess whether there is balance. Finally, it is noted that the new rules will not change the Danish principle that education is free. This means that it will still be free for Danish students to study in Denmark and on some programmes abroad. Danish students may study for free on the programmes abroad which are covered by a mutual exchange contract, or a cooperation contract where the student is entitled to a scholarship for studies abroad. This means that the rules on subsidies have not been materially changed in this area. However, it was found more appropriate for the rules on subsidies in connection with the universities' international education cooperation to be placed with the general rules governing subsidies.

3.5. Provisions on corporate governance structure

3.5.1. Current law

According to the University Act, the universities may offer programmes abroad pursuant to the rules governing income-generating activities. The current rules do not allow for company formation in connection with the offering of these programmes.

3.5.2. The proposed scheme

In connection with the harmonisation of the rules on the organisation of international programmes, there was a request to allow the universities to offer full programmes abroad under section 3a, subsection (1), and section 20, subsection (3), of the University Act through a public limited company. The objective is to ensure that the universities are not made subject to liabilities or suffer losses exceeding the funds invested in the company. Just as programmes offered in accordance with the provisions on income-generating activities, the programmes offered through such company are offered with course fees and must comply with the provisions of section 3a of the University Act.

The possibility of offering programmes through and investing cash funds in a company is in line with the Ministry of Education's rules governing, among others, university colleges for higher education.

However, the proposed model for company formation differs from the Ministry of Education's model. As the universities are large units, it is necessary to limit the amount of the investment.

It is proposed that the investment be limited to an amount of DKK 5 million or three per cent of the university's education subsidies from the Danish University and Property Agency in the relevant fiscal year. This margin corresponds to the one applicable to the universities' possibility of investing funds in foundations for social dwellings intended for young people close to universities.

3.6. Digital communication

3.6.1. Current law

With Act no. 567 of 6 June 2007 amending the University Act, the Minister for Science, Technology and Innovation was given authority to lay down rules stipulating that communication between the university and enrolled students, including PhD students, and applicants for the university's programmes had to be fully or partly electronic.

Under the provisions of the mentioned provision, in 2010, the Minister for Science, Technology and Innovation issued an order on electronic communication for the universities, according to which a university may decide that all communication between the university and students and applicants for the university's programmes must be fully or partly electronic for the individual programme.

3.6.2. The proposed scheme

According to the Danish government's e2012 objective, it must be possible for all relevant written communication between enterprises, citizens and the public sector to be digital. Digitalisation of the communication between the public authorities and citizens may, among other things, reduce response times and thus make communication more efficient. For this reason, it is assessed that increased public digitalisation may create a better service level for the citizens.

Universities and students increasingly communicate digitally, and this development is supported by the Bill. Digital communication between universities and students and applicants could take the form of exchange of e-mails and use of internal systems created by the individual universities, where enrolled students can log on and communicate in a closed system with the university and with other students.

Section 8a, subsection (1), of the University Act covers the programmes regulated by the University Act and rules laid down under the Act. However, the universities also offer programmes regulated by other rules, such as professional bachelor and diploma programmes which are under the Ministry of Education's field of responsibility.

To create a basis for ensuring that as much as possible of the universities' communication may be digital, it is proposed that the Minister for Science, Technology and Innovation be authorised to lay down rules governing the universities' communication with students and applicants, also for programmes offered in accordance with other rules than the University Act. The Minister for Science, Technology and Innovation lays down rules in agreement with the minister responsible for the area under which the relevant programmes belong.

In addition, it is proposed that the phrase used in the current provision – electronic communication – is replaced by digital communication. This amendment only

concerns language and is thus not in itself a substantive amendment.

Based on the proposed amendments, it is expected that the Minister for Science, Technology and Innovation issue a new order on digital communication between universities and students and applicants for the universities' programmes, covering all programmes currently offered by the universities.

It is noted that the universities must ensure that the systems for digital communication between universities and students and applicants for the universities' programmes are organised in such a way that the party to a case at all times during the hearing of a case may be represented or assisted by others, cf. section 8 of the Public Administration Act.

3.7. The scholarship and grant scheme

3.7.1. Current law

In 2006, a scholarship and grant scheme was introduced to give the universities an opportunity to award a certain number of scholarships with a grant. Scholarships could be awarded to the best qualified foreign students from third countries admitted to Master's (*candidatus*) programmes completed only at Danish universities. The purpose of the scholarship and grant scheme is to attract the best possible qualified foreign students from third countries by offering these scholarships and grants to cover the costs of living in Denmark.

In 2010, the scholarship and grant scheme was changed to cover both Bachelor and Master's degree students. Also, the scheme was made more flexible so that universities in addition to awarding full scholarships with full grants may now also choose to award partial scholarships and decide whether students who have been awarded a full or partial scholarship are to be awarded a full grant, a partial grant or no grant.

The universities are responsible for offering and managing scholarships and grants. This means that the universities select the foreign students and are thus responsible for selecting the students who are academically best qualified.

The universities are also responsible for disbursing grants to the foreign students. By leaving the administration of the scholarship and grant scheme to the universities, they will be able to use scholarships and grants in connection with the conclusion of agreements with foreign universities on strategic alliances with a view to maintaining and expanding the universities' international competitive position and high quality level.

Scholarships and grants cannot be awarded for academy profession programmes and professional bachelor programmes offered at a university, as the scheme only covers research-based full-time programmes, cf. section 4, subsection (1), of the University Act.

3.7.2. The proposed scheme

Effective from 1 February 2010, a new scholarship and grant scheme has been introduced under the Ministry of Education, where the scholarship and grant funds are distributed between business academies, university colleges, engineering colleges and the School of Media and Journalism. The scheme represents a harmonisation with the corresponding grant scheme under the Ministry of Science, Technology and Innovation. Since the money follows the institutions under each field of responsibility, the universities are not covered by the Ministry of Education's scholarship and grant scheme.

With the proposal, the universities are given the opportunity to award scholarships and grants to students on academy profession and professional bachelor programmes offered at a university.

4. Financial and administrative consequences for the state, regions and municipalities

DKK 1.2 million for the scholarship and grant scheme is transferred from section 20.98.61 of the Appropriation Act, Grants for certain foreign students on short-cycle and medium-cycle programmes, to section 19.22. Universities regarding programmes at the universities where the Ministry of Education is responsible for both education and subsidies.

The Bill has no financial or administrative consequences for regions or municipalities.

5. Financial and administrative consequences for trade and industry

The Bill has no financial or administrative consequences for trade and industry.

6. Administrative consequences for the public

The Bill has no administrative consequences for the public.

7. Environmental consequences

The Bill has no environmental consequences.

8. EU law

The Bill contains no aspects relating to EU law.

9. Consultation

The Bill has been sent to the following authorities and organisations etc. for their comments:

University of Copenhagen, Aarhus University, University of Southern Denmark, Roskilde University, Aalborg University, Technical University of Denmark, Copenhagen Business School, IT University of Copenhagen, ACE Denmark – the Accreditation Agency, the Danish Bar and Law Society, the Danish Academy of Technical Sciences, the Danish Confederation of Professional Associations, the Danish Institute for Study Abroad, the National Research Foundation, the conservative student union (*Danmarks Konservative Studerende*), the Liberal Students of Denmark, the Confederation of Danish Employers, the Danish Chamber of Commerce, the Confederation of Danish Industries, Danish Regions, the National Union of Students in Denmark, Universities Denmark, the Danish Youth Council, the Royal Danish Academy of Sciences and Letters, United Federation of Danish Workers, the Danish Bankers Association, the Danish Employers' Association for the Financial Sector, the Danish Society for the Advancement of Business Education, Free Forum – Social-Democratic Students, HK/State, the Danish National Advanced Technology Foundation, Local Government Denmark (LGDK), the Competition Authority, the Danish Confederation of Trade Unions, the Danish Society of Engineers, the National Audit Office of Denmark, the Danish Council for Technology and Innovation, the Danish Government Research Institute and the Danish Educational Support Agency.

10. Summary table

	Positive consequences/reduction in expenditure	Negative consequences/additional expenditure
Financial consequences for the state, regions and municipalities	None	None
Administrative consequences for the state, regions and municipalities	None	None
Financial consequences for trade and industry	None	None
Administrative consequences for trade and industry	None	None
Administrative consequences for the public	None	None
Environmental consequences	None	None
EU law	The Bill contains no aspects relating to EU law.	

Notes on the individual provisions of the Bill

On section 1

(the University Act)

On no. 1 (section 1, subsection (2))

The proposal is a consequence of the fact that the rules on subsidies for government-funded, independent institutions will in future be laid down in a new type of subsidy, 'government-funded, independent institutions' in the Budget Guidelines. Consequently, this is only a clarification of the type of institution, and besides the amendments mentioned in the Bill on accounts, subsidies and audit, no change in the institutions' status as being part of the public administration etc. is intended.

On no. 2 (section 2, subsection (2))

The purpose of the proposal is to contribute to clarifying the correlation between the individual academic freedom for the academic staff and the institutional academic freedom for the university. With this proposal, it is clarified that the university must protect the academic freedom of both the entire university and the individual academic employee.

On no. 3 (section 3, subsection (1), first sentence)

It is proposed that this provision be amended as a consequence of the proposal that the provisions regarding international education cooperation be moved to a separate section 31, cf. section 1, no. 6), of the Bill.

The proposed section 3 is essentially unchanged. However, the general provision stipulating that university programmes may only be offered in Denmark has been replaced by the reference to Denmark in subsection (1) of the provision in order to clarify that the proposed wording of section 3 of the Act concerns programmes offered in Denmark and that the proposed section 3a concerns programmes offered abroad.

On no. 4 (section 3, subsection (1), third sentence)

It is proposed that the current provision be repealed as a consequence of the proposal that the provisions regarding international education cooperation should be moved to a separate section 3a, cf. section 1, no. 6), of the Bill. The previous provision on exemption from quality assurance of Erasmus Mundus Master's programmes has been replaced by the new provisions in section 3a, subsection (3), cf. section 1, no. 6), of the Bill.

It is proposed that programmes offered in Denmark also cover the special cases where parts of a programme are organised as off-site instruction. Off-site instruction is

directed at, among other things, the cases where the Danish university needs to let the students take a part of the programme abroad to boost the quality of the programme as a whole, but where mutual exchange is not possible. Off-site instruction is, thus, not covered by the requirement for balance. As is the case now, the Minister lays down rules on off-site instruction, including on the delimitation relative to programmes offered under section 3a, subsection (1), of the Bill.

On no. 5 (section 3, subsections (3)-(12))

It is proposed that this provision be repealed as a consequence of the proposal that the provisions regarding international education cooperation should be moved to a separate section 3a, cf. section 1, no. 6), of the Bill.

On no. 6 (section 3a)

With the provision in *subsection (1)*, the universities will be able to offer all or parts of programmes abroad in cooperation with foreign universities (international education cooperation). The provisions on joint programmes, which may only be offered in special cases, and the provisions on parallel programmes are repealed.

With this provision, the universities may offer programmes where parts of the programme must be taken abroad (compulsory studies abroad) and programmes where parts of the programme may be taken abroad (optional studies abroad).

When creating a programme abroad, a university must ensure that it may be legally established in the host country before presenting it for the Minister's approval. In order for the programme to be broadly recognised internationally, it must be lawfully established in accordance with the law of the host country. This is the only way that the students will have the same employment and study-related rights as students with a similar education taken in Denmark.

For programmes with compulsory studies abroad, the universities, as has previously been the case with joint programmes, must exchange students with the foreign universities. Programmes with optional studies abroad are a special form of exchange organised by universities, where the student is automatically guaranteed credit for the studies abroad. Programmes comprising one of the two forms of studies abroad must meet the requirement for reciprocity and economic balance. Reciprocity and economic balance will be assessed over a period of time and for the entire university sector as a whole.

Joint programmes and parallel programmes will be abolished, but the requirement for economic balance is maintained in the cases where parts of a programme are taken abroad, with the exception of Erasmus Mundus Master's programmes, cf. the notes to subsection (2) of the provision.

As it is expected that the number of programmes with compulsory exchange will increase, the students on such programmes must in special cases be exempted from participating in the compulsory exchange, e.g. in connection with parental leave.

Pursuant to the authority granted in the proposed provision in *subsection (7)*, the Minister will stipulate that the university must make it clear before the deadline for application that a part of the programme must be taken abroad when offering a programme with compulsory exchange.

The provision in *subsection (2)* is an unchanged re-enactment of section 3, subsection (7), of the current Act on Erasmus Mundus Master's programmes.

The proposed provisions in *subsections (3) and (4)* stipulate that the programmes offered by the universities abroad, where parts of the programme must be taken at a foreign university (compulsory studies abroad), or where the entire programme is taken at a foreign university, must be quality-assured. Programmes where parts of the programme may be taken at a foreign university (optional studies abroad) are covered by Danish quality assurance, cf. section 3, subsection (1). However, the parts of the programme taken at foreign universities must be quality-assured in accordance with the rules applicable to the foreign universities.

When entering into education cooperation with foreign universities, the Danish university must ensure that the quality of the foreign programmes is satisfactory.

With the Bill, the universities are free to choose a quality assurance institution. The Bill generally corresponds to the current rules on the offering of programmes abroad without a cooperating university.

According to the current rules, the Minister for Science, Technology and Innovation decides the title etc., cf. section 10 of the Act on the Accreditation Agency for Higher Education. This also applies when quality assurance has been undertaken by a foreign quality assurance institution. This means that when accreditation is undertaken by a foreign institution, it must subsequently be approved by the Ministry of Science, Technology and Innovation. Quality assurance does not have to be approved, but it is a formal requirement that must be fulfilled for the programme to be offered and perhaps be granted taximeter funding.

In his approval, the Minister assesses the issues which the Accreditation Council must present to the Minister when accreditation is undertaken in Denmark. If accreditation has been undertaken by a foreign quality assurance institution, the university must present these issues on the basis of, among other things, the quality assurance.

When quality assurance is undertaken by a foreign quality assurance institution, the university is responsible for ensuring that the Ministry of Science, Technology and Innovation receives the information required to be able to grant formal approval.

For programmes which are meant to authorise the graduate in Denmark, the university must discuss the relevant issues with the authorisation authority, as is the case with the creation of Danish programmes, cf. the provisions in the Order on the Bachelor and Master's (*Candidatus*) Programmes at Universities. If quality assurance has been undertaken by a foreign quality assurance institution, the Ministry will discuss the content of the programme with the authorisation authority before granting approval. In the case of a programme which does not authorise the graduate abroad, but where a similar programme in Denmark does, applicants must be clearly informed of this before the time of application.

The approval applies during the same period as the quality assurance applies. After this time, the programme must be quality-assured and then formally approved again.

The university must always choose either the Danish quality assurance undertaken by ACE Denmark or other foreign quality assurance. In order to make the provision future-proof, it is necessary to take into account that the universities are able to offer programmes in countries where no quality assurance rules exist, and where the university will also incur a disproportionate cost by using the Danish Accreditation Agency. However, it is a requirement that the foreign quality assurance institution selected is registered in EQAR or otherwise 'internationally recognised'.

The assessment of whether the foreign quality assurance institution may be regarded as being internationally recognised will, as now, be performed by the Minister. The intention is for the criteria to remain unchanged.

The Commission has announced that it is no longer a requirement that Erasmus Mundus Master's programmes have been accredited before the time of submitting an application to the Commission, but they must have been accredited before the first Erasmus Mundus students are admitted. This means that Erasmus Mundus Master's programmes may be accredited up to the time of admission of the first Erasmus Mundus students. The universities are free to decide in which order they wish to complete the accreditation and the application to the EU. However, it is a condition that the programme is quality-assured in due time to ensure that it may be approved before students are admitted.

The proposed provision in *subsection (5)* is partially a re-enactment of section 3, subsection (8), second and third sentences, in the current Act stipulating the rules covering students on Erasmus Mundus Master's programmes. It is proposed that the provision be extended to apply to all forms of international education cooperation/programmes abroad in respect of the legal factors, as it is important for the student to know which university's rules apply to the student's day-to-day study life. The university at which the student is enrolled is the decisive factor here.

The university must ensure that its students are informed of their rights and options when they choose to go abroad to study. In addition, the university must ensure that

students enrolled at the university who complete parts of the programme abroad may in special cases complete and finish the entire programme in Denmark. Special cases comprise, for example, situations in which students fail the courses taken abroad or where there are other obstacles to the student's studies. That students are given the option of finishing their education in Denmark means that they are given the option of completing the programme, which is not necessarily the same as passing the programme.

The proposed provision in *subsection (6)* is partially a re-enactment of section 3, subsection (11), of the current Act, according to which the university may issue a diploma to students who have taken parts of their programme at the university without having been enrolled there. This could, for example, include parallel programmes, joint programmes and Erasmus Mundus Master's programmes.

With the Bill, the provision is made general, stipulating that the university may issue a Danish diploma for programmes offered by the university on its own or in cooperation with other universities. As always, the issue of a Danish diploma is a Danish administrative act. For this reason, the diploma may only be issued after a concrete assessment, where the university is able to guarantee that the student holds the same qualifications as if the student had taken a corresponding programme in Denmark. Students who have completed and passed such programme are then legally entitled to a Danish diploma for the programme.

Pursuant to the authority granted in the proposed provision in *subsection (7)*, the Minister will lay down rules stipulating that the diploma must show which programme elements were completed abroad.

The issue of a diploma does not necessarily trigger subsidies for completed studies. The rule is still that the completion time is measured as the time of graduation measured at the assessment date of the last exam activity less the time of enrolment for the first enrolment on a programme within the same main academic area at the relevant university.

The proposed provision in *subsection (7)* allows the Minister to lay down rules governing the offering and completion of the programmes pursuant to the proposed section 3a and the issue of diplomas for these programmes. The proposed provision corresponds to the Minister of Education's powers in relation to programmes abroad. With the proposed wording of the provision, it has been endeavoured to take future developments in foreign programmes into account.

The intention is for the rules to be enacted in one single executive order and be worded such that they are generally identical for all types of programmes abroad. Rules should only deviate from the general rules if the nature of the programme or the education cooperation so dictates.

The intention is to give the universities the possibility

of issuing Danish diplomas if the university offers the programme on its own or in cooperation with another university, regardless of whether the programme is taken fully or partly abroad.

It is envisaged that the following orders will be repealed in connection with the introduction of the new rules and replaced by one joint order:

- Executive Order no. 931 of 15 March 2007 on Parallel and Joint Programmes.
- Executive Order no. 777 of 15 August 2009 on Cooperation Agreements with Foreign Universities etc.
- Executive Order no. 815 of 29 June 2010 on Off-site instruction and Erasmus Mundus Master's Programmes at Universities.
- Executive Order no. 779 of 30 June 2010 on the Universities' Issue of Diplomas when Offering Programmes Abroad etc.

On nos. 7 and 8 (section 8a, subsections (1) and (2))

Under the provisions of the University Act, the universities offer, among others, Bachelor, Master's (*candidatus*), Master and PhD programmes. In addition, the universities offer programmes covered by the rules under the Ministry of Education's field of responsibility such as professional bachelor and diploma programmes.

With the proposal, the provision will also apply to university's students on programmes covered by the rules under the Ministry of Education's field of responsibility. The purpose of the proposal is to create the basis for the greatest possible digitalisation of the universities' communication, regardless of which ministry is responsible for the programmes in question.

On no. 9 (section 10, subsection (6))

Codetermination and involvement of staff and students are already the responsibility of the board. For this reason, what the Bill proposes is more of a clarification than an actual amendment of the current law. The purpose of this proposal is to specify in the text that one of the board's responsibilities is to ensure codetermination and involvement of staff and students. No change of the one-tier management structure is intended with this clarification.

On no. 10 (section 10, subsection (8))

With the proposal, a new model for development contracts is introduced. The development contract is an agreement between the individual university and the Minister for Science, Technology and Innovation on the university's strategic development during the contract term. It typically runs for three or four years.

The development contract contains a number of targets which should be achieved within the contract term. It may consist of two types of targets: targets which the Minister may order the university to achieve (mandatory targets) and targets chosen by the university (self-imposed

targets). Each development contract contains 3-5 mandatory targets and 3-5 self-imposed targets.

The mandatory targets are based on societal priorities. The target areas relating to mandatory targets may vary from university to university and from term to term. Targets may aim at giving more people an education or increasing internationalisation. The Bill does not contain any requirements for specific target areas which must be included in the development contracts.

The self-imposed targets must reflect the university's own strategic priorities and profile. They are worded by the individual universities.

The rector initiates the work involved in the development contract that is subsequently established by the board following open discussions at the university, including in the relevant forums involving employees and students. The development contract is concluded with the Minister following negotiations with the individual universities. This will also ensure coherence and integration between mandatory and self-imposed targets, and the universities will be bound by the targets just as they are otherwise bound by the law. The legal status of the development contract is not changed.

Both parties may initiate renegotiation if the university's financial situation varies widely from the assumptions.

On no. 11 (section 10, subsection (11))

It is proposed that this provision be repealed due to the proposed new wording of section 13 of the Act, where it is proposed that all the provisions of the Act on the university's statutes be enacted in one single provision.

On no. 12 (section 11, subsection (4))

This is a consequential amendment due to section 1, no. 46), of the Bill, according to which the university's annual report must be audited by an institutional auditor.

On no. 13 (section 12, subsection (3))

The provision on term of office and reappointment has been amended with the effect that an external member can only sit on the board for eight years. The maximum eight-year period must be divided into at least two terms of office. The terms of office may, but does not have to, follow each other in time. This increases the universities' flexibility and makes it possible for members to have different terms of office. Universities may, among other things, use this to provide continuity for the board in general, as not all members of the board must necessarily be replaced at the same time. The maximum term has been maintained to ensure regular renewal of the boards.

The university must lay down terms governing terms of office in the statutes, cf. section 1, no. 17), (section 13) of the Bill. In this connection, it must be considered whether an appointment in the middle of a period, e.g. as a cause of the resignation of a member due to illness, is for the remaining part of the term or whether a new term will begin to run.

The remaining part of section 3 concerns requirements for the external board members' competences. This part of the provision is unchanged.

On no. 14 (section 12, subsection (4))

The nomination body nominates external board members to the appointment body. After this time, the appointment body appoints the new external board members among the nominated candidates. The appointment body may, e.g., be the board or parts of the board. Similarly, the nomination body may be the board or parts of the board. However, the two bodies together may not only consist of board members.

It is proposed that new external board members be appointed in transparency as regards procedures and profile and qualifications of the new members. Such transparency may, e.g., be in the form of publication of the relevant profiles in the public board minutes.

To ensure that future board members are recruited as widely as possible and represent a wide range of competences and experience and to achieve a process that is as open as possible, it is proposed that everyone be entitled to submit proposals to the nomination body. For this reason, open calls for candidates for the board must be organised. The role of the nomination body is to ensure that the candidates nominated have experience in management, organisation and finance, including assessment of budgets and financial statements, and that they will, jointly with the remaining board, contribute to promoting the university's strategic activities based on their experience and knowledge of education, research, knowledge dissemination, knowledge exchange and research-based public-sector consultancy.

It is important the board is composed in a way that ensures that it is able to handle its management tasks, including the strategic tasks, in an efficient and forward-looking way. At the same time, the board must be a constructive and qualified sparring partner for the day-to-day management. Approval of the budget and annual report is a central responsibility for the board, for which reason it is vital that the board members are competent in this field.

When nominating and appointing external members for the board, the two bodies must ensure that the board comprises the relevant and required knowledge and professional experience relative to the university's needs, including the required international background and understanding of the university's global context.

Representatives for different interested parties may not be nominated for the university board. It is still decisive that the board members do not represent special interests, but reflect all sectors of society.

The appointment procedure for board members must be set up to avoid, as far as possible, that qualified candidates are deterred from standing as a candidate due to the risk of being publicly disparaged. For this reason, the university

may choose a scheme where, as is the case at the University of Southern Denmark, a joint committee with only a few members, namely the chairmanship of the board and the chairmanship of the board of representatives, nominates candidates for the board, after which time the entire board of representatives appoint the external members.

It is proposed that the nomination and appointment bodies be set up as permanent bodies which may also be used if an external board member resigns in the middle of his or her term.

On no. 15 (section 12, subsection (6))

It is proposed that the provision be repealed as a consequence of section 1, no. 17), of the Bill, which generally describes the content of the statutes, including the rules governing the setting up of the board.

On no. 16 (heading for section 13)

A new heading is inserted to clarify the content of section 13 of the Act.

On no. 17 (section 13)

Statutes lay down the basic rules for the internal organisation of an institution. It stipulates how the institution must act in different situations. The statutes thus normally contain provisions on object, domicile, the activities of collegiate bodies, including election, number of members, quorum and voting rules, as well as day-to-day management, accounting and property, procedures for amending the statutes etc.

The universities must lay down the material provisions of the statutes. With the provision in *subsection (1)*, it is therefore proposed that the procedures etc. which no longer apply to a university under the Act, but which the university is free to set up, be stipulated in the statutes. This will provide control of these procedures, which was the intention of the University Act.

The universities will be given more autonomy to set up their own organisation. This means that some of the previous statutory requirements must be laid down by the university in its statutes. As a result, a number of amendments have been proposed to ensure that the universities are given more autonomy to organise and delegate tasks in the way that best suits the chosen organisation.

As now, the Minister's control of legality in respect of the universities' fulfilment of the provisions and the purpose of the University Act is ensured by the Minister's approval of the statutes. When controlling legality, the Minister must, among other things, ensure that the one-tier management structure is maintained, at the same time as the codetermination and involvement of staff and student are ensured.

The purpose of the proposed provision in *subsection (2)* is to make it easier to grasp the minimum requirements in the statutes. For this reason, it is proposed that these

provisions be moved to one single provision.

With the proposed *subsection (2), no. 1)*, the provision will be extended to the effect that the university must also establish procedures for how to ensure transparency in the nomination and appointment of external members.

With the proposed *subsection (2), no. 2)*, the board must establish the procedures for the appointment of the nomination body and the appointment body in the statutes. The university is also free to decide how to set up the two bodies. However, the choice of members for the two bodies may not be made by the board alone. This does not mean that the board cannot set up one of the bodies or both bodies. However, it is necessary for the board to discuss the appointment with a broader range of people, e.g. by consulting the board of representatives. It is also possible that the board is represented in both bodies; however, the two bodies together must not consist only of board members.

The university is free to decide how to involve existing councils, committees and boards in the process of finding new external board members. Parts of the board of representatives or the employer panel may, for example, be used as the nomination body or appointment body or as the body appointing members for the nomination and appointment bodies.

The nomination and appointment bodies must be set up and appointed centrally. It is not possible to decide that the employer panel for one main academic area is to set up the nomination or appointment board. However, it is possible for parts of all employer panels to participate in the work on setting up the nomination or appointment board. The employer panels are composed of persons with knowledge of the education area and the employment areas targeted by the programmes. For this reason, the employer panels do not have the sufficient width to make up the entire nomination or appointment body.

The appointment body may request a new nomination if it assesses that the nominated candidates do not sufficiently strengthen the board's ability to promote the university's strategic activities, or if the requirements for the composition of the board pursuant to section 12, subsections (2) and (3), have not been met. As now, the provisions of the Public Administration Act on capacity must be observed when setting up the board.

With the proposed *subsection 2, no. 3)*, the board must determine the term of office for board members. This means that the statutes must stipulate how long board members are appointed for and how often they may be re-appointed within the maximum period of eight years, cf. section 1, no. 13), of the Bill. In addition, it must be stipulated whether members appointed in the middle of a term will sit for the remaining term or for a full term.

With the proposed *subsection (2), no. 4)*, the board is given a wide discretion to determine how to organise the university. The statutes must describe how the organisation is set up. However, it is not necessary to detail all tasks undertaken under the authority of the rector

in the statutes. By laying down the organisation in the statutes, the organisation structure, showing the one-tier management structure, is made clear, just as it becomes possible to control that the statutory bodies, which must, among other things, ensure codetermination and involvement of staff and students, are set up.

With the proposed *subsection (2), no. 5*), the detailed procedures for codetermination and involvement of staff and students must be laid down in the statutes. The university boards must demand that the universities' senior management at all levels in cooperation with the academic staff and the students develop procedures and organisational mechanisms to provide real and effective involvement of staff and students in academic and education-related as well as important intra-university affairs in accordance with the modern management practices of knowledge organisations and the Danish (and Nordic) traditions in the university sector. In this connection it is noted that no change of the one-tier management structure is intended with this Bill.

In this connection it is assumed that the university sets up detailed standards setting out what the university regards as good management and which options are available to students and employees if they believe that the immediate manager is not observing the provisions of the statutes on codetermination and involvement of staff and students or the standards for good management. The setting up of procedures for codetermination and involvement of staff and students must respect the one-tier management structure.

The statutes must show how codetermination and involvement of staff and students at all organisational levels have been ensured. It is, thus, assumed that bodies are set up or that the portfolio of tasks of the existing bodies is adapted to ensure codetermination and involvement of staff and students at all organisational levels. Consequently, if there is more than one organisational level, it is not sufficient for staff and students at one organisational level to have codetermination and involvement. The intention is not for universities to set up more bodies if it ensures codetermination and involvement of staff and students at all levels in other ways.

With the proposed *subsection (2), no. 6*), the applicable rules have been brought into the new provision on the content of the statutes instead of being included in the individual provisions on the rector, the dean, the head of the graduate school and the head of department. The intention is still for the appointment procedure to ensure that the university's academic managers have academic and managerial legitimacy. This means that they must, for example, have such competences and managerial experience as is usually expected from persons in the given position.

The proposed *subsection (2), no. 7*), is based on the previous provisions under each council and committee on establishment, composition and performance of assignments. This provision has merely been compiled for

all the councils, committees and boards mentioned in the Act.

The provision stipulates that the statutes must still contain detailed rules governing how these councils, committees and boards are set up and composed, including rules on the election of chairman and any vice-chairman and on the board of studies' nomination of directors of studies. The general regulation of councils, committees and boards, including allocation of powers and tasks to be performed, must also be contained in the statutes.

In the text of the proposal it is stipulated that councils, committees and boards may assume tasks over and above those laid down in the Act. Such tasks must also be laid down in the statutes. The statutes must clearly show which tasks the individual councils, committees and boards must perform and which powers the individual councils, committees and boards have when performing such tasks.

When setting up more academic councils, the powers of each academic council must be considered. It must be clear which tasks the individual councils are charged with, and which councils have specific powers. If there are more than one academic council for the same area, but at different organisational levels, it must be clearly stated which council has the power to award degrees, and which council nominates members for expert committees.

It is assumed that the tasks of these bodies are laid down in the statutes. Of course, the university cannot decide that a body will hear cases that should rightfully be heard elsewhere. The employer panel may, for example, not hear specific cases regarding academic issues, as these are dealt with in academic councils.

The university may lay down in the statutes who will appoint directors of studies on recommendation from the board of studies. If this is not laid down in the statutes, the general principles of internal delegation stipulate who will appoint them. The university may still lay down in the statutes that the chairman of the board of studies must be approved by a member of the academic management.

The university may lay down rules in the statutes governing whether the chairman of the board of studies and the director of studies may be one and the same person, and whether more than one director of studies may be nominated if a board of studies cover more programmes and levels of education.

The provision introduces the option for the university to lay down provisions in the statutes governing the setting up of a board of representatives. This option is currently provided in section 13 of the Act, which section it is proposed to repeal.

The proposed provision in *subsection (2), no. 8*), is an unchanged re-enactment of section 18, subsection (9), of the current Act.

On no. 18 (heading for section 13a)

A new heading is inserted to clarify the content of section 13a of the Act.

On no. 19 (section 13a, subsection (3), first sentence)

The provision has been reworded so that the employer panel may also be given other tasks than those stipulated in the Act. This especially applies to tasks relating to the nomination and appointment of external board members. The employer panel has a special role and insight in relation to the university's activities. For this reason, it is natural for the employer panel to be used for the nomination and appointment of external board members.

Employer panels set up jointly with other universities under section 13a, subsection (4), of the current Act are not expected to be used for the nomination and appointment of external board members.

On no. 20 (section 14, subsection (1), second sentence)

The new wording of this provision clarifies that all powers are delegated by the rector. The rector delegates tasks to the rest of the management. Tasks may be delegated downwards, meaning that a task delegated by the rector may be delegated on to a manager at a more decentralised level. The rector may, among other things, authorise managers of academic units to appoint and dismiss managers of academic units below within their own field. In the event that the rector has delegated his or her powers, the delegate will replace the rector.

At the same time, it is proposed that the rules on the powers of deans, heads of departments etc. be repealed. This will give the universities freedom to set up their own organisation according to what is most appropriate for the individual university.

As is the case under the current Act, it will be natural for the rector to delegate tasks related to the day-to-day management of the university to the other managers, i.e. the pro-rector, directors, deans, functional deans, heads of graduate schools, heads of departments, heads of centres and directors of studies etc.

In practice this means that the universities are now allowed to set up their organisations in other ways. The known structure with rector's offices, main academic areas and departments is no longer a matter of course. The universities are free to choose which elements of the known structure they wish to use. With this, there will be more room and increased scope for differentiation among Danish universities.

However, these new options are still subject to requirements concerning boards, employer panels, the rector, academic councils, graduate schools, PhD committees and boards of studies.

On no. 21 (section 14, subsections (4)-(12))

An academic unit is an organisational unit which undertakes research, research-based teaching and research-based public-sector consultancy. This corresponds to what

is now known as faculties, departments and academic units.

When universities are free to set up their own organisations, it is expected that the need for a more cross-curricular and dynamic structure means that some of these known structures will change, just as it is expected that centre structures will gain ground.

With the provision in *subsection (4)*, it is thus proposed that the requirement that heads of academic units must be recognised researchers be made a general condition. It is assumed that the head of an academic unit will, to the relevant extent, have educational experience when study programmes are offered at the academic unit or at an academic unit at a level below it in the organisation. The university is free to decide which other qualifications the individual manager must possess.

With the provision in *subsection (5)*, it is proposed that the rector be authorised to establish graduate schools. The management of the graduate school is undertaken by the head of the graduate school who is appointed by the rector. The head of the graduate school must, as other academic heads of organisational units, be a recognised researcher and must have experience in the educational field to the relevant extent. Although the university is allowed to set up its own organisation, it is still a requirement for the university to establish graduate schools if it offers PhD programmes.

A graduate school is an organisational unit with a head who has the overall responsibility for training PhD students within an academically limited and coherent field. The graduate school is responsible for ensuring that the PhD students enrolled complete a structured and coherent programme at the highest international level with teaching and supervision that live up to the quality requirements set up.

It is for the rector to decide which tasks to delegate to the head of the graduate school.

With the provision in *subsection (6)*, the word 'academic freedom' is inserted into the provision on individual academic freedom. At the same time the wording is reversed to clarify that the starting point must be free research. The academic employees are still free to conduct research during the time when they are not allocated other tasks. This means that they are free to choose subject, methodology and approach within the strategic framework laid down by the university for its research activities. With the Bill, it is added that the strategic research framework covers the profile of the entire university.

It has also been added that the rector or a person authorised by the rector may not occupy the academic staff with tasks during all of their working hours for an extended period of time, resulting them in fact being deprived of their academic freedom.

Time to conduct free research must also be ensured in connection with research-based public-sector consultancy

and tasks undertaken under agreements. However, it is not possible to define exactly the amount of time to be allocated to free research, as it will vary over time from area to area and from researcher to researcher. For example, a researcher may have less time to conduct free research during a period with research-based public-sector consultancy or tasks undertaken under an agreement than at other times.

With the proposed deregulation, universities will be given more freedom to setup their own organisations. With the provision in *subsection (7)*, the rector will set up the organisation of the university within the framework set up by the board. Reference is also made to the notes on section 1, no. 20), (section 14, subsection (1), second sentence) and section 1, no. 21), (section 14, subsection (4)) of the Bill.

The proposed provision in *subsection (8)* is an unchanged re-enactment of section 14, subsection (6), of the current Act.

The proposed provision in *subsection (9)* is an unchanged re-enactment of section 14, subsection (7), of the current Act.

The proposed provision in *subsection (10)* is an unchanged re-enactment of section 14, subsection (8), of the current Act.

The proposed provision in *subsection (11)* is an unchanged re-enactment of section 14, subsection (9), of the current Act.

The proposed provision in *subsection (12)* is an unchanged re-enactment of section 14, subsection (10), of the current Act with regard to the academic council. As a consequence of the fact that the rector delegates all powers, the provision in the Bill also authorises the rector to dissolve a PhD committee or a board of studies. The rector is free to delegate his powers. This option may only be used as an absolute exception. This means that it may only be used if there is (a risk of) serious neglect in the performance of the rector's duties.

In addition, the provision authorises the rector or a person authorised by the rector to dissolve a board of studies or a PhD committee before the expiry of the term. This is a re-enactment of section 16, subsection (9), of the current Act. The rector may only use this option as an absolute exception, as is the case now. This option for the rector or a person authorised by the rector to take over the PhD committee's or the board of studies' tasks may also be applied without the PhD committee or the board of studies being dissolved, e.g. in a situation where it is not possible to delay a decision.

On no. 22 (section 15, subsection (1))

The Bill still contains the requirement for an academic council to be set up. As a consequence of the universities being given the right to freely set up their organisations, it must also be possible for an academic council to be set up at the most appropriate organisational level.

When setting up academic councils, it must be ensured that all the university's areas are covered by at least one academic council. If only one academic council is set up, it must be a centralised academic council covering the entire university.

A basic principle of the University Act is that of one-tier management at the universities. With one-tier management, the general rule is that an employee must go to his or her immediate superior with work assignments, questions etc. This manager may then take the issue to his or her immediate superior and so on. If the employee goes directly to the senior manager and not to his or her own manager, the one-tier management structure may not function as intended. Of course, if this is agreed in advance with the manager, it is allowed.

This principle may be used in the bodies where a body makes a statement etc. to the manager at the level where the body was set up, and not directly to a manager at a higher level, unless agreed in advance. The general rule is thus that the academic council must make a statement to the manager at the same level as the academic council.

On no. 23 (section 15, subsection (2), no. 5))

It is proposed that the university be given the opportunity to allocate additional tasks to the academic council through the statutes. If the university wishes for the council to have additional decision-making power than that already granted to the council under section 15, subsection (2), no. 4), of the Act, this must be clearly stipulated in the statutes. Both the council's representatives for the academic staff and for the students undertake the tasks stipulated in the Bill, including any additional tasks allocated to the council in the statutes.

On no. 24 (section 15, subsections (4)-(5))

The composition of the academic council is unchanged; however, it has been specified that members must be elected from the organisational level which the relevant academic council is to cover. The connection to the management is ensured by the rector or the manager of the organisational level, which the academic council is to cover, also being members of the academic council.

Before, the rector was the ex officio chairman of the academic council, but now the council elects a chairman from among its members. Just as the other members, the rector or the manager of the organisational level covered by the academic council may be elected chairman. The rules governing the election of chairmen must be laid down in the statutes, cf. section 1, no. 17), of the Bill.

On nos. 25-28 (heading for section 16, section 16, heading for section 16a and section 16a)

The provisions are repealed as a consequence of section 1, no. 20), of the Bill, in which it is proposed that all powers be allocated to the rector. The rector may then delegate tasks to the rest of the management. For this reason, most of the provisions governing powers in the Act are repealed.

On no. 29 (heading for section 16b)

The heading is reworded to clarify the content of section 16b.

On no. 30 (section 16b, subsections (1) and (2))

With the provision in *subsection (1)*, PhD committees are still required to be set up. As a consequence of the universities being given the right to freely set up their organisations, one or more PhD committees may be set up at the most appropriate level in the organisation. When setting up PhD committees, it must be ensured that all the university's PhD programmes are covered by a PhD committee.

The Act now stipulates that additional tasks for the PhD committee may be laid down in the statutes at the discretion of the university. The general regulation of the PhD committee, including allocation of powers, must be contained in the statutes.

The proposed provision in *subsection (2)* sets out the powers of the PhD committee. The provision is very much a re-enactment of the current provision in section 16b, subsection (7), of the Act. However, now it is stipulated that the recommendations on the chairman of the committee in the proposed provision in section 16b, subsection (2), no. 1), and on the composition of assessment committees in the proposed provision in section 16b, subsection (2), no. 2), must now be submitted to the rector instead of the dean. This amendment is a consequence of section 1, no. 20), of the Bill. In addition, no. 6) of the provision has been brought into line with the wording of the proposed section 18, subsection (4), no. 4), of the Act, cf. section 1, no. 35), of the Bill. No change of the current legal situation is, thus, intended.

It is proposed that the university be given the opportunity to allocate additional tasks to the PhD committee through the statutes. If the university wishes for the committee to have additional decision-making power than that already granted to the committee under the proposed section 16b, subsection (2), nos. 3) and 6), of the Act, this must be clearly stipulated in the statutes. Both the committee's representatives for the academic staff and for the PhD students undertake the tasks stipulated in the Bill, including any additional tasks allocated to the committee in the statutes.

On no. 31 (section 16b, subsection (4))

The PhD programme may be organised in cooperation between more graduate schools, but the responsibility for the individual PhD student's programme always lies with a graduate school at the university where the PhD student is enrolled.

On nos. 32 and 33 (heading for section 17 and section 17)

Reference is made to the notes on section 1, nos. 25)-28).

On no. 34 (section 18, subsection (1))

The requirement that boards of studies must be set up still applies. Under the current Act, boards of studies may be set up at different levels of the organisation, such that there is a board of studies at the level of the main academic area to deal with the contents of the programme, and a board of studies at the level of the department to undertake the organisation of the teaching and the tests and other forms of assessment forming part of the exam, together with the director of studies.

As a consequence of the universities being given the right to freely set up their organisations, one or more boards of studies may still be set up at the most appropriate level in the organisation. When setting up boards of studies, it must be ensured that all the university's programmes are covered by a board of studies.

On no. 35 (section 18, subsection (4))

The proposed provision stipulates which powers the board of studies has. The provision is very much a re-enactment of the current provision in section 18, subsection (6), of the Act. However, no. 4) of the provision was brought into line with the wording of section 16b, subsection (7), of the Act, which becomes subsection (2), cf. section 1, no. 30), of the Bill. No change of the current legal situation is, thus, intended.

However, relative to the current law, the university will now be entitled to allocate additional tasks to the board of studies in the statutes. If the university wishes for the board of studies to have additional decision-making power than that already granted to the board under the proposed section 18, subsection (4), nos. 3) and 4), of the Act, this must be clearly stipulated in the statutes. Both the board of studies' representatives for the academic staff and for the students undertake the tasks stipulated in the Bill, including any additional tasks allocated to the board in the statutes.

On no. 36 (section 18, subsections (6)-(9))

Reference is made to the notes on section 1, nos. 25)-28).

On no. 37 (section 18a, subsection (1))

The proposed amendment is a technical consequence of section 1, no. 35), of the Bill.

On no. 38 (section 19, subsection (2))

The proposed amendment is of a technical nature and is due to the proposal that the provisions governing programmes broad be enacted in section 19, subsections (3) and (4), cf. section 1, no. 39), of the Bill.

On no. 39 (section 19, subsections (3)-(5))

The proposed provisions in *subsections (3) and (4)* describe which students trigger a subsidy in connection with the offering of all or parts of programmes abroad

with or without a cooperating university and Erasmus Mundus Master's programmes. As is the case now, cf. section 19, subsection (5), which will become subsection (8), the Minister will determine which students, including which foreign students, will trigger a subsidy under section 19.

No change of the current law is intended with this proposal. The universities are still not allowed to conclude agreements where the student fees exceed the scholarship for studies abroad. This means that the students will have their student fees abroad covered by the Danish scholarship for studies abroad and, thus, be offered a free education. It also means that the student will be granted a scholarship for studies abroad when he or she has been admitted to a full Danish programme offered by a foreign university.

It is also still possible for the universities to conclude agreements on exchange of students with foreign universities. The requirement for the universities to ensure that the exchange offers reciprocity and economic balance is maintained. The university must organise its overall offering of elements of approved programmes abroad and exchange contracts in a way that ensures reciprocity and economic balance in the exchange with the foreign universities. Reciprocity and economic balance will be assessed over a period of time and for the entire university sector as a whole. However, this does not apply to off-site instruction.

With the proposed provision in *subsection (5)*, the Act will stipulate that rules on subsidies for government-funded, independent institutions be laid down in a new type of subsidy, 'government-funded, independent institution', in the Budget Guidelines. In practice, this amendment will have no substantial impact on the universities, as they are already covered by the provisions of the Budget Guidelines as well as the rules on subsidies laid down in the notes to the Appropriation Act in relation to the subsidy.

On no. 40 (section 19, subsection (10))

It is proposed that the universities be entitled to grant full or partial scholarships to certain foreign students admitted to a full programme which the university offers on the approval of another minister pursuant to rules laid down by such minister, cf. section 7 of the Act. Such scholarships may still be granted with a full grant, a partial grant or no grant.

On no. 41 (section 19, subsection (11))

The proposed amendment is a technical consequence of section 1, no. 39), of the Bill.

On no. 42 (section 20, subsection (3), second sentence)

The proposed sentence describes the universities' options for financing the offering of full programmes abroad with or without a cooperating university. The proposed amendment is an unchanged re-enactment of section 3, subsection (10), of the Act, only specifying that

this applies to 'full' programmes only.

Consequently, the universities are still allowed to collect student fees for the programmes offered abroad pursuant to the provisions governing income-generating activities, cf. clause 2.6.8. in the 2011 Budget Guidelines.

The Minister for Science, Technology and Innovation's supervision of the universities remains unchanged. This means that the Minister for Science, Technology and Innovation will not control the quality of programmes offered abroad, as this is subject to the rules on quality assurance of the programmes.

On no. 43 (section 21, subsection (4), first sentence)

The proposed amendment is a consequence of the proposal that all the rules on international education be laid down in one provision, cf. section 1, no. 6), of the Bill. With the amendment, the university's option of granting a subsidy to one or more foreign universities, when these subsidies are included in the annual Appropriation Act, is maintained. No change of the current law is intended with this proposal.

On nos. 44 and 45 (section 26, subsections (2) and (4))

The proposed amendments are technical consequences of section 1, no. 39), of the Bill.

On no. 46 (section 28, subsections (2)-(5))

The proposed provision in *subsection (2)* is an unchanged re-enactment of section 28, subsection (4), of the current Act.

The proposed provision in *subsection (3)* has previously been enacted in section 11 of the Executive Order on the Funding and Accounts etc. of Universities. The provision, which concerns the audit of the university's annual report, is moved to the University Act as part of the Ministry of Finance's new joint rules on subsidies, accounts and audit for government-funded, independent institutions. No change of the legal situation is intended.

According to the proposed provision in *subsection (4)*, the university must notify the National Audit Office of Denmark and the Ministry if an institutional auditor is appointed or dismissed. When changing institutional auditors, the reason must also be indicated in the notice. This provision was previously enacted in section 11 of the Executive Order on the Funding and Accounts etc. of Universities. The provision is moved to the University Act as part of the Ministry of Finance's new joint rules on subsidies, accounts and audit for government-funded, independent institutions. No change of the legal situation is intended.

The proposed provision in *subsection (5)* is an unchanged re-enactment of section 28, subsection (3), third sentence, of the current Act. The provision stipulates that the annual report must be signed by the board and the rector. The first and second sentences of the provision will be included in the joint rules for government-funded,

independent institutions on financial reporting.

With the proposed provision in *subsection (6)*, the Minister is given the option of laying down special rules on financial reporting, provided that they are in conformity with the current rules governing public accounts. In connection with the coming revision of the Executive Order on the Funding and Accounts etc. of Universities, the Minister will assess whether this provision will be brought into effect. This will, among other things, depend on the implementation of the provision by the Executive Order on Public Accounts etc.

On no. 47 (section 38, subsection (8))

The proposed amendment is a consequence of the abolition of the Aarhus School of Business on 1 January 2007.

On no. 48 (section 40a)

This provision is inserted because the boards of the Engineering College of Aarhus and Aarhus University have expressed a wish to be merged. For this reason it is proposed that, after negotiations with the Minister of Education and the Minister of Finance, the Minister for Science, Technology and Innovation may approve the merger of the Engineering College of Aarhus and Aarhus University. It is necessary for the Minister to reach an agreement with the parties behind the globalisation agreement (Venstre (Denmark's liberal party), the Conservatives, the Social Democrats, the Danish People's Party and the Social Liberals) before this provision may take effect.

On section 2

(Act on Technology Transfer, etc. at Public Research Institutions)

On no. 1 (title of the Act)

The proposed change of the title of the Act is a consequence of the proposed extension of the scope of the Act, cf. section 2, no. 2), of the Bill. For this reason, it was deemed to be appropriate to clarify the title so that it corresponds to the proposed purpose.

On no. 2 (section 1)

It is proposed that the purpose of the Act be clarified to explain that the main purpose is to increase competitiveness and strengthen public research institutions' relations with the external environment by allowing different types of company formation for special purposes.

The current purpose of the Act is extended. The purpose of the Act is still to promote the transfer of new knowledge and technology between public research institutions and trade and industry in research-based enterprises and the option of setting up foundations and associations to support cooperation with the external environment.

For the first time it is proposed that the purpose of the Act be extended to include support for full programmes offered by the universities abroad under section 3a, subsection (1), of the University Act.

On no. 3 (section 4, subsection (1), first sentence)

This is a technical consequential amendment, as it is proposed that the objects clause of the Act be divided into numbers, cf. section 2, no. 2), of the Bill.

On no. 4 (section 4a)

With the provision in *subsection (1)*, it is proposed that full programmes offered by one or more Danish universities abroad under section 3a, subsection (1), and section 20, subsection (3), of the University Act may be effected through a company domiciled in Denmark, and that the universities may invest cash funds in such company. Just as programmes offered in accordance with the provisions on income-generating activities, the programmes offered through such company are offered with course fees and must comply with the provisions of section 3a of the University Act.

This concerns the option of forming a public limited company, which is a company with limited liability, meaning that the universities will not be made subject to liabilities or suffer losses exceeding the funds invested in the company. The provision is in line with the provisions applicable within the field of responsibility of the Ministry of Education to, among others, university colleges for higher education. It is expected that programmes offered abroad will mostly be effected by the universities forming a corporate governance structure to manage the programmes.

With the provision in *subsection (2)*, it is proposed that the investment be limited to an amount of DKK 5 million or three per cent of the university's education subsidies from the Danish University and Property Agency in the relevant fiscal year. This is a general limit which will not accumulate over time, meaning that it will not be renewed annually. The limit corresponds to that applicable to the universities' investments in other corporate forms or foundations.

With the provision in *subsection (3)*, it is proposed that the calculation pursuant to the proposed subsection (2) also include the university's expenses for capital contributions or acquisitions of shares, regardless of whether a company has been declared bankrupt. This means that losses must also be included in the general limit pursuant to subsection (2).

Since public funds may be used for forming the companies, it is proposed with the provision in *subsection (4)* that the participating Danish university/universities must fully own the companies.

With the proposed provision in *subsection (5)*, the option for public limited companies formed under the proposed section 4a to move some of their activities to

other companies with the same object is introduced. This provision also prevents that a university or its company formed under the proposed subsection (1) assumes a financial risk exceeding the value of the acquired shares, cf. the case law on the lifting of the corporate veil, and that the company will form too close ties with one university. As a university is a government-funded, independent institution within the public administration, cf. section 1, subsection (2), of the University Act, a public limited company formed under the proposed subsection (1) with a university as the sole shareholder cannot be a state-owned public limited company. This means that the public limited company's subsidiary under the proposed subsection (5) is also not state-owned.

Since public funds may be used for forming the companies, the provision in subsection (6) proposes that income in the form of dividends be spent within the university's objectives. This means that if the company distributes dividends, these must go to the university.

With the provision in *subsection (7)*, it is proposed that the university must report expenses incurred in connection with programmes offered abroad, when this is effected through a company under this Act, in its annual report. The university must ensure transparency regarding the extent to which and the way in which the university incurs expenses pursuant to the provision. The detailed conditions for financial reporting are laid down in the rules governing public financial reporting, cf. section 28 of the University Act.

The provision in *subsection (8)* proposes that the Minister for Science, Technology and Innovation be authorised to adjust the limits under the proposed subsection (2), subject to the approval of the awarding authorities. The Minister may request that the Financial Committee consider, in a bill, whether the amounts in subsection (2) may be adjusted within the given subsidy limits. In addition, such adjustment could also be effected by the Appropriation Act.

On no. 5 (section 5, subsection (1), and section 7, subsections (1) and (2))

It is proposed that the provisions in section 5 of the current Act on the board members' independence apply concurrently to companies under the proposed section 4a.

It is proposed that the provisions in section 7 of the current Act on shares and loan subsidies apply concurrently to companies under the proposed section 4a.

On no. 6 (section 6)

It is proposed that section 6 of the current Act stipulating that the companies must have a commercial aim and carry on business on market terms be split up to clarify that the public limited companies must carry on business related to either technology transfer or the offering of programmes.

On no. 7 (section 8, subsection (1), no. 1), first sentence)

The proposed amendment is a technical consequence of the proposed new wording of section 6 of the Act. Section 8, subsection (1), no. 1), first sentence, of the Act thus still applies only to public limited companies carrying on business related to technology transfer.

On no. 8 (section 8, subsections (2) and (3), and section 9, no. 1))

The proposed amendments are merely technical consequences of the new title of the Act regulating private and public limited companies, cf. Act no. 470 of 12 June 2009.

On section 3

(Act on Social Housing etc.)

On no. 1 (section 115, subsection (6), section 118, subsection (3), first sentence, and section 143, subsection (2), second sentence)

The proposed amendment is a consequence of the proposal that the title of the 'Act on Technology Transfer, etc. at Public Research Institutions' be changed to 'Act on Public Research Institutions' Commercial Activities and Cooperation with Foundations', cf. section 2, no. 1), of the Bill.

On section 4

(Commencement)

The provision in *subsection (1)* proposes that the Act enter into force on 1 July 2011.

With the provision in *subsection (2)*, it is proposed that section 1, subsection (2), section 19, subsection (5), and section 28 of the University Act, as stipulated in section 1, nos. 1), 39) and 46), of this Act, enter into force on 1 January 2012. For practical reasons relating to subsidies and financial reporting, it is proposed that this part of Bill enter into force on 1 January 2012 to ensure that the rules will follow the financial year which follows the calendar year.

It is proposed in *subsection (3)* that the Minister for Science, Technology and Innovation specify the date on which section 1, nos. 3)-6), 38), 39) and 41)-45) will enter into force. The new rules governing programmes offered abroad imply that a new order on the rules governing programmes offered abroad must be prepared. To rule out any doubts as to the legal basis for programmes offered abroad by the universities, it is proposed that the provisions of the University Act only enter into force after the entry into force of the new order.

With the provision in *subsection (4)*, it is proposed that the universities' statutes must be submitted for approval to the Ministry by 1 March 2012, including the amendments required as a result of this Bill.

Appendix 1

The Bill compared with current legislation

Current wording

The Bill

1.

The Act on Universities etc. (the University Act), cf. Consolidation Act no. 754 of 17 June 2010, is amended as follows:

1. In *section 1, subsection (2)*, the following is inserted after 'are': 'government-funded'.

2. *Section 2, subsection (2)*, is worded as follows:

'(2) The university has academic freedom. The university must safeguard the academic freedom of the university and the individual and the ethics of science.'

3. In *section 3, subsection (1), first sentence*, the following is inserted after 'offer': 'in Denmark'.

4. *Section 3, subsection (1), third sentence*, is repealed and replaced by:

'Programmes offered in Denmark, cf. the first sentence, also include the special cases where parts of a programme are taken at universities abroad (off-site instruction). The Minister lays down detailed rules on off-site instruction.'

5. *Section 3, subsections (3)-(12)*, are repealed.

1.---

(2) The universities are independent institutions within the public administration under the Minister for Science, Technology and Innovation.

2.---

(2) The university has academic freedom and must safeguard this and the ethics of science.

3. The university determines which research-based programmes to offer within its academic fields. The programmes offered by the university under section 4, subsection (1), nos. 1) and 2), and section 5, subsection (1), must be approved by the Accreditation Council, cf. the Act on the Accreditation Agency for Higher Education. The Minister for Science, Technology and Innovation may derogate from the requirement for approval pursuant to the second sentence in case of programmes offered as part of Erasmus Mundus study programmes.

(2)---

(3) The university's programmes pursuant to subsection (1) may only be offered in Denmark, cf., however, subsections (4), (5), (7), (9) and (10).

(4) As an individual choice and an alternative to completing a programme in Denmark, the university may offer students to take parts of the programme at one or more foreign universities, subject to an agreement between the relevant universities on mutual exchange.

(5) In special cases, the university may offer a programme where parts of the programme cannot be taken in Denmark but must be taken at one or more foreign universities, subject to an agreement between the relevant universities on mutual exchange (joint programmes). If mutual exchange is not possible, the university may also, in special cases, transfer parts of a programme to a university abroad (off-site instruction).

(6) While enrolled at the foreign university, students undergoing education pursuant to subsections (4) and (5) follow the rules governing the relevant university and not the rules stipulated pursuant to this Act.

(7) In collaboration with foreign universities, the university may offer programmes pursuant to section 4, subsection (1), no. 2), as part of Erasmus Mundus study programmes, where the individual parts of the programme are taken at the university and at one or more foreign universities as agreed between the relevant universities.

(8) The agreement mentioned in subsection (7) must contain provisions stipulating that the individual students must be admitted to the programme at one of the participating universities. Students admitted to the Danish university are covered by the provisions governing the foreign university, including on any student fees, and not by the rules stipulated pursuant to this Act during the period when they are enrolled at such foreign university. Students admitted to a foreign university are covered by the rules stipulated pursuant to this Act, including on any student fees, during the period when they are enrolled at the Danish university.

(9) On the university's application, the Minister may approve that one of the university's programmes may be offered by one or more universities abroad. The Minister lays down rules governing the conditions for approval.

(10) The university may offer programmes pursuant to subsection (1) outside of Denmark according to the rules governing income-generating activities, cf., however, subsection (11).

(11) The Minister may lay down rules stipulating:

1) that the university may issue a diploma to students who have taken parts of their programme at the university without having been admitted to the relevant programme, provided that this is subject to an agreement pursuant to subsection (4), subsection (5), first sentence, and subsection (7);

2) that the university may issue a diploma for students who have completed a programme approved pursuant to subsection (9) abroad; and

3) that the university may issue a diploma for students who have completed a programme offered pursuant to subsection (10) abroad.

(12) the Minister lays down the rules governing the offering and completion of programmes pursuant to subsections (4), (5), (7) and (9) and governing the issue of diplomas pursuant to subsections (10) and (11). In the rules laid down pursuant to the first sentence, the Minister may derogate from the provisions in section 13a, section 17, subsection (4), section 18, subsections (5) and (6), and section 34, subsection (1).

6. The following is inserted after section 3:

3a. In collaboration with one or more foreign universities, the university may offer all or parts of programmes pursuant to section 3 abroad. The individual parts of the programmes are taken at the university and at one or more of the foreign universities. The parts taken at the foreign universities may be optional or compulsory. If the entire programme is completed abroad, the university may allow the foreign university to offer the programme, provided that this is done in collaboration with the Danish university.

(2) In collaboration with foreign universities, the university may offer programmes pursuant to section 4, subsection (1), no. 2), as part of Erasmus Mundus study programmes, where the individual parts of the programme are taken at the university and at one or more foreign universities, as agreed between the relevant universities (Erasmus Mundus Master's programmes).

(3) The university must ensure that its programmes pursuant to subsections (1) and (2) are quality-assured. The programmes may either be quality-assured in Denmark in accordance with the Act on the Accreditation Agency for Higher Education or abroad in accordance with the relevant quality assurance systems there. However, the quality assurance institution selected must be registered in the European Quality Assurance Register for Higher Education (EQAR) or otherwise be regarded as internationally recognised. If foreign quality assurance is selected, the programme must subsequently be approved by the Ministry of Science, Technology and Innovation.

(4) Separate quality assurance is not required in cases where the parts taken at the foreign university are optional or have already been accredited as a part of the Danish programme.

(5) Students admitted to the Danish university are covered by the provisions governing the foreign university and not by this Act during the period when they are enrolled at such foreign university. Students admitted to a foreign university are covered by this Act during the period when they are enrolled at the Danish university.

(6) The university may issue a Danish diploma to students who have completed a programme pursuant to subsection (1) or (2) abroad. The university may issue a diploma for students who have taken parts of their programme at the university without being admitted to the university in question, cf. subsections (1) and (2).

(7) The Minister lays down the rules governing the offering and completion of programmes pursuant to subsections (1)-(6), including on the issue of diplomas. In this connection, the Minister may derogate from the provisions in the Act on programmes and boards of studies.'

8a. The Minister may lay down rules stipulating that communication between the university and enrolled students, including PhD students, and applicants for the university's programmes, must be fully or partly electronic.

(2) The Minister may lay down rules stipulating that course evaluations by the students must be published on the university's website.

10.---

(6) The board lays down the university's statutes and amendments thereto. These are subject to the Minister's approval.

(8) The board enters into a development contract with the Minister on the university's general activities.

(11) Regulations on openness in respect of the board's work pursuant to subsection (2) are laid down in the statutes. In addition, the regulations on the appointment and dismissal procedures pursuant to subsection (7) are laid down in the statutes. The appointment procedure must ensure that the rector has the required academic and managerial legitimacy.

11.---

(4) The board or the Minister may decide to institute legal proceedings against board members, the rector, any auditors or others as a result of a loss suffered by the university.

12.---

(3) External members are appointed in their personal capacity and for a term of four years. In the event of a member's permanent absence before the expiry of the term, a new member may be appointed for the remaining term. Members are eligible for reappointment once. In addition, the external members must have experience in management, organisation and finance, including assessment of budgets and financial statements.

7. In *section 8a, subsection 1*, the following is inserted: 'For programmes offered by universities pursuant to this Act,' and 'electronic' is amended to: 'digital'.

8. In *section 8a*, a new subsection is inserted after subsection (1):

'(2) For programmes offered by the universities as authorised by another minister, cf. section 7, and according to agreement with such minister, the Minister may lay down rules stipulating that communication between the university and enrolled students and applicants for the programmes in question must be fully or partly digital.'

Subsection (2) then becomes subsection (3).

9. *Section 10, subsection (6)*, is worded as follows:

'(6) The board ensures the codetermination and involvement of staff and students in material decisions.'

10. *Section 10, subsection (8)*, is worded as follows:

'(8) The board enters into a development contract with the Minister, who may in that connection set up specific targets. The development contract may cover all parts of the university's activities and must comprise targets for the activities and efforts which are found to be of particular importance.'

11. *Section 10, subsection (11)*, is repealed.

12. In *section 11, subsection (4)*, 'auditors' is amended to: 'institutional auditors'.

13. *Section 12, subsection (3)*, is worded as follows:

'(3) The external members are appointed in their personal capacity. An external member is appointed for a maximum period of eight years distributed on at least two terms of office. The external members must have experience in management, organisation and finance, including assessment of budgets and financial statements.'

12.---

(5) The rules governing the setting up of the board pursuant to subsections (1)-(4) are laid down in the statutes.

13. The university may set up a board of representatives composed of external members.

(2) The board of representatives discuss the university's general research, education and other activities and makes statements on these issues to the board.

(3) The rules governing the board of representatives pursuant to subsections (1) and (2) are laid down in the statutes. It may also be stipulated in the statutes that some or all of the external members of the university board are to be appointed by the board of representatives.

14. In *section 12*, a new subsection is inserted after subsection (3):

'(4) The university sets up a body to nominate the external board members (the nomination body). The university sets up another body to appoint the external members (the appointment body). The nomination and appointment bodies may not be identical. The nomination and appointment boards must ensure that the external members fulfil the requirements stipulated in subsections (2) and (3). The board lays down procedures for the appointment of the nomination board and the appointment board.'

Subsections (4) and (5) then become subsections (5) and (6).

15. *Section 12, subsection (5)*, which becomes subsection (6), is repealed.

16. The following is inserted as a heading before section 13:

'Statutes'

17. *Section 13* is worded as follows:

'**13.** The board lays down the university's statutes and amendments thereto. The Minister approves the university's statutes.

(2) The statutes must contain provisions governing:

1) Openness in relation to the board's activities pursuant to section 10, subsection (2), including openness relating to the procedures for nomination and appointment of external board members.

2) Appointment of the nomination body and appointment body for the board's external members pursuant to section 12.

3) The terms of office for external board members, cf. section 12, subsection (3).

4) The internal organisation of the university, cf. section 14, subsection (7).

5) Codetermination and involvement of staff and students, cf. section 10, subsection (6).

6) Appointment and dismissal procedures, cf. section 10, subsection (7), and section 14, subsection (4).

7) Establishment, composition and tasks of the academic council, the employer panel, the PhD committee, the board of studies and, if relevant, the board of representatives and on the board of studies' nomination of directors of studies.

8) Any special conditions on the management of Master's (*candidatus*) programmes.'

(11) The rules governing appointment and dismissal procedures pursuant to subsections (4) and (5) are laid down by the employer panel. The employer panel must ensure that its decisions are based on academic merit and qualifications and do not take into account non-academic considerations such as ethnicity or gender. The employer panel must submit an opinion on all issues presented by the university's senior management, deans, directors, heads of departments, sector managers, heads of graduate schools and directors of studies undertake their assignments as authorised by the rector, cf. section 16, subsections (1) and (3)-(9), section 16a, subsections (4), (5) and (7), section 16b, subsections (4)-(6), section 17, subsection (2) and (4), and section 18, subsection (5).

(4) The academic appointments and disposal of the instructor cases where the officer shall be aided in how ever a consultation as (5) and (6) The end of members represent in the case academic staff including the students with university contracts, and the student the rector presents the budget to the board and signs the financial statement council are set up, the dean of each faculty The director lays down the rules of disciplinary measures for the student council of the main academic area, cf., however, subsection (6) The rector is authorised to sign for the university, with his signature on official documents as a representative of the institution in his capacity as president of the decision who holds the position and who are sections representing the academic staff in section 8, subsections (4) and (5) on the university section (7) and subsection 8, subsections (4) and (5) the academic unit. Representative for the academic staff in the chair of the binding of the university contracts, are elected by and from among the special interests including the students and with university constitution whose suspicion of (in play addition, the academic cases, the rector may take over the tasks of the academic council pursuant to subsection (5) setting up (2). Academic council pursued two subunits comprising the branch (6) plan laid down in the statutes to subsections (4) and (5) are laid down in the statutes. The appointment procedure must ensure that deans and directors of academic units have the required academic and managerial legitimacy.

18./PhD dissertation gasin shet d'etion haadings obfow ad etitio
dancils, cf. section 15, subsection (1), PhD committees,
cf. section 16b, subsection (1), and boards of studies, cf.
section 18, subsection (1). **In addition,** in special cases,
the rector may take over the tasks of academic councils,
cf. section 15b, /subsection (2), (PhD) committees, the
boards of studies, subsection (2), and boards of studies, cf.
section 18, subsection (2) stipulated in the statutes'.

'The rector sets up one or more academic councils, including ~~to~~ ~~responsible~~ ~~determinations~~ ~~and involvement~~ ~~of~~ ~~staff~~ ~~and~~ ~~students~~ in respect of academic issues. More academic councils may be ~~set up~~ ~~both~~ ~~at~~ ~~the~~ ~~same~~ ~~time~~ ~~and~~ ~~at~~ ~~different~~ ~~organisational~~ ~~levels~~ from the rector.'

'(44) The academic appointments and dismissed the heads of the
the organisational management units. Organisation of the academic
university by the recognised research and administrative
representation in the academic staff (including PhD students
under The university's contracts, or more of the students of the
Programme in the school to be clearly of the academic
school. Representatives for the academic staff (including
PhD students with university track record of the
the student field of the academic staff (including PhD students
staff) including PhD students with university track record of the
staff the student staff of the academic freedom and is
free to conduct research within the university's strategic
research framework' during the time when they are not
performing their tasks. The university's strategic research
framework covers the entire profile of the university. The
academic staff cannot be occupied with allocated tasks
during all of their working hours for an extended period
of time, resulting in them in fact being deprived of their
academic freedom.

(11) The rector must approve all external collaboration binding the university.

(5) The dean's recommendation and dismissal of sector managers, departmental research subsection and (3) sector manager for each academic unit at department level is headed over a section manager, subsection (5). The sector manager must, as far as possible, have an appropriate academic background and adequate experience and knowledge of management and performance of tasks pursuant to subsection 7, the tasks of graduate schools, the dean must arrange for international evaluations of the management scholar in the academic environment including planning and including international tasks. In addition, the sector manager must follow the dean's evaluation of the studies and reports of studies. The dean appoints a chairman and vice chairperson of the sector manager, PhD committees are formed from specific faculty and during PhD committee work communication from the relevant PhD committee members and chairs and vice chairpersons for the boards of studies university's strategic research interests and dismisses directors of studies and recommends governing appointments and dismissals pursuant to subsection (6) are laid down in the statutes. The appointment procedure must ensure promotion by the board of studies the required academic and managerial legitimacy, special cases, the dean may dissolve PhD committees and boards of studies set up pursuant to subsection (6). In addition, in special cases, the dean may take over the tasks of PhD committees and boards of studies, in which event section 14b subsection (7) and section 18, subsections (4) and (6), are derogated from.

(5) In consultation with the PhD committee, the head of the graduate school plans the school's education, including stays abroad.

possible, be a recognised researcher and have experience in programme and knowledge of management and performance of tasks pursuant to section 2, subsection (4).

29. *The heading before section 16b is worded as follows:*

'PhD committees'

30. *Section 16b, subsections (1)-(7), are repealed and replaced by:*

16b. The rector sets up one or more PhD committees, including to ensure that the students and the academic staff are able to exert their influence on the PhD programme.

(2) The PhD committee has the following tasks:

- 1) Nominating to the rector a chairman from among the members of the PhD committee's academic staff and perhaps a vice-chairman from among the students of the PhD committee.

2) Making recommendations to the rector on the composition of assessment committees.

3) Approving PhD courses.

4) Submitting proposals for internal guidelines for the graduate school. The heading for this section PFA guide is at the head of the graduate school.

285) **Sessing/Epis** reports to the head of the graduate school on the evaluation of PhD programmes and supervision, including international evaluations of graduate schools.

6) Approving applications for credit transfers, including advance credit transfers, and for exemptions.

7) Issuing opinions on all issues of importance to the PhD programmes and supervision presented by the rector.

8) Other assignments as stipulated in the university's statutes.'

Subsections (8) and (9) then become subsections (3) and (4).

2) Making recommendations to the dean on the composition of assessment committees.

3) Approving PhD courses.

4) Submitting proposals for internal guidelines for the graduate school, including the PhD guide, to the head of the graduate school.

5) Issuing pronouncements on evaluations of PhD programmes and supervision to the head of the graduate school.

6) Approving applications concerning credit transfers and exemptions.

7) Issuing opinions within its field on all issues of importance to the PhD programme and guidance presented by the dean or a person authorised by the dean.

16b.---

(9) The rules governing the establishment of graduate schools and the composition of PhD committees are laid down in the statutes. Universities may collaborate in the establishment of graduate schools based at one university. The rules governing Graduate schools established in a collaboration between universities, including the composition of PhD committees, are laid down in the statutes governing the participating universities.

Departments and heads of departments

17. Research and teaching normally take place in departments.

(2) The head of department undertakes the day-to-day management of the department, including planning and allocation of tasks. The head of department may allocate specific tasks to specific staff. During the periods in which members of the academic staff are not performing such tasks, they are free to conduct research within the university's strategic research framework.

(3) The head of department must be a recognised researcher with teaching experience.

(4) The head of department ensures the quality and coherence of the department's research and teaching and must, in consultation with the board of studies and the director of studies, follow up on the evaluation of education and teaching.

(5) If, in exceptional cases, a head of department is not appointed, cf. subsection (1), the tasks of the head of department are handled by the dean, cf. section 14, subsection (1).

18. To ensure that the students have influence on education and teaching, the dean must set up the required number of boards of studies, cf. section 16, subsection (6).

18.---

(4) The board of studies recommends a director of studies to the dean, cf. section 16, subsection (7).

31. *Section 16b, subsection (9), which becomes subsection (4), is worded as follows:*

'(4) Several universities may collaborate on the establishment of graduate schools based at one of the participating universities.'

32. *The heading before section 17 is repealed.*

33. *Section 17 is repealed.*

34. *Section 18, subsection (1), is worded as follows:*

'The rector sets up one or more boards of studies, including to ensure the students' and the academic staff's codetermination and involvement of staff and students in programmes and teaching.'

35. *Section 18, subsection (4), is worded as follows:*

'(4) In addition to the tasks stipulated in the statutes, the board of studies is charged with the organisation, completion and development of programmes and teaching, including:

(6) The board of studies is charged with the organisation, completion and development of programmes and teaching, including:

1) assuring and developing the quality of programmes and teaching and ensuring follow-up on programme and teaching evaluations;

2) preparing proposals for the curriculum and amendments thereto;

3) approving a plan for the organisation of teaching and of tests and other assessment forming part of the exam;

4) processing applications for credit transfers, including advance credit transfers, and for exemptions;

5) issuing opinions within its field on all issues of importance to programmes and teaching and discussing matters regarding programmes and teaching presented to it by the rector or a person authorised by the rector;

(7) the rules governing the setting up of boards of studies, including the election of chairman and vice-chairman and nomination of director of studies, pursuant to subsections (1)-(4) and on tasks pursuant to subsections (5) and (6) are laid down in the statutes;

(8) the board may stipulate in the statutes that boards of studies are to be set up at different organisational levels;

(9) the board may lay down special rules in the statutes on the governance of Master's (*candidatus*) programmes, and may derogate from the governance provisions in this part for these programmes if required to achieve the purpose.

18a. In respect of the academic aspects, the board of studies' decisions on credit transfer, including advance credit transfer, cf. section 18, subsection (6), no. 4), may be brought before an appeals board by the person concerned.

19.---

(2) Subsidies for the approved programmes offered by the university pursuant to section 4, subsection (1), nos. 1) and 2), and section 5 are provided on the basis of the rates laid down in the annual Appropriation Acts and the number of active full-time equivalents and, if relevant, the number of completed studies.

1) Assuring and developing the quality of programmes and teaching and ensuring follow-up on programme and teaching evaluations.

2) Preparing proposals for the curriculum and amendments thereto.

3) Approving a plan for the organisation of teaching and of tests and other assessment forming part of the exam.

4) Approving applications for credit transfers, including advance credit transfers, and for exemptions.

5) Issuing opinions within its field on all issues of importance to programmes and teaching and discussing matters regarding programmes and teaching presented to it by the rector.'

36. Section 18, subsections (6)-(9), are repealed.

37. In section 18a, subsection (1), 'subsection (6)' is amended to: 'subsection (4)'.

38. In section 19, subsection (2), the following is inserted after 'university': 'in Denmark'.

19.---

(7) The university may grant full or partial scholarships to certain foreign students. Such scholarships may be granted with a full grant, a partial grant or no grant. The grant is provided to cover the costs of living in Denmark while the student is completing all or parts of a programme at the university, cf. section 4, subsection (1). The margin for scholarships and grants is laid down in the annual Appropriation Acts. In addition, the university is entitled to use surplus accumulated pursuant to section 26, subsection (2), to grant additional scholarships or grants in accordance with the provisions in the first and second sentences.

19.---

(8) The Minister lays down rules governing the administration of scholarships and grants pursuant to subsection (7), including:

- 1) which foreign students are entitled to scholarships and grants;
- 2) which programmes scholarships may be granted for;
- 3) application for and allocation of scholarships and grants;
- 4) payment of grants; and
- 5) withdrawal of scholarships and grants as a result of lack of study activity or revocation of any awarding of scholarships or grants if such scholarship or grant was awarded on false grounds.

20.---

(3) The university may undertake income-generating and grant-financed activities.

39. In *section 19*, the following new subsections are inserted after subsection (2):

'(3) Subsidies for the parts (optional or compulsory) of approved programmes abroad offered by the university alone or in collaboration with one or more universities pursuant to section 3a, subsection (1), are provided on the basis of the rates stipulated in the annual Appropriation Acts and the number of active full-time equivalents for the part of the programme taken in Denmark. In cases where there is a requirement for mutual exchange, subsidies are paid for students enrolled at the foreign university for the part of the programme taken in Denmark, provided that they are exchanged with students enrolled at the Danish university subject to an agreement between a Danish university and a university abroad.

(4) Subsidies for the approved programmes abroad offered by the university pursuant to section 3a, subsection (2), are provided on the basis of the rates stipulated in the annual Appropriation Acts and the number of active full-time equivalents for the part of the programme taken in Denmark.

(5) The universities are covered by the rules in the Budget Guidelines governing government-funded, independent institutions.'

Subsections (3)-(8) then become subsections (6)-(11).

40. In *section 19, subsection (7)*, which becomes subsection (10), the following is inserted after 'section 4, subsection (1)': ', or section 7'.

41. In *section 19, subsection (8)*, which becomes subsection (11), 'subsection (7)' is amended to: 'subsection (10)'.

42. In *section 20, subsection (3)*, the following is inserted as the second sentence:

'The university may offer full programmes pursuant to section 3a, subsection (1), according to the rules governing income-generating activities.'

38.---

(8) If the Copenhagen Business School or the Aarhus School of Business is abolished, and if the remaining assets are sufficient, the net assets of the business school as at 30 June 2003 must be used for teaching and educational purposes as specified by the Minister. Rules on the calculation of university assets may be laid down for participation in teaching and in tests and other forms of assessment forming part of the exam in respect of part-time and full-time programmes to the extent that no grant or scholarship for the activity has been provided, cf. section 19, subsections (1), (5) and (7), and section 20, subsection (1).

26.---

(4) The university prepares a basis for calculating student fees pursuant to subsections (1)-(3). Course fees pursuant to subsections (1) and (3) plus any subsidies cannot exceed the costs incurred. Course fees pursuant to subsection (2) must, as a minimum, correspond to the costs incurred, and in connection with a partial scholarship pursuant to section 19, subsection (7), course fees amount to the difference between the value of the partial scholarship and the subsidy pursuant to section 19, subsection (2). The Minister may lay down rules governing the preparation of a basis for calculation.

1. The purpose of the Act is to increase competitiveness by promoting the transfer of new knowledge and technology between public research institutions and industry, including the establishment of new research-based enterprises and supporting of other forms of co-operation between public research institutions, foundations and associations comprising income statement, balance sheet and fixed-asset movement schedule are prepared. The financial statements must be signed by the board and by the rector, cf. section 10, subsection (5), and section 14, subsection (6).

(4) The university's financial statements are audited by the Auditor General in accordance with the Act on Auditing of the State Accounts etc.

(5) The Auditor General and the Minister may agree that auditing tasks pursuant to subsection (4) be undertaken in cooperation between the Auditor General and an institutional auditor. The institutional audit is conducted by a state-authorised public accountant or a registered accountant.

4. For the promotion of the purpose of the Act under section 1, a public research institution may form and own one public limited company and be co-owner of one or more public limited companies formed by other public research institutions. The Ministry of Science, Technology and Innovation, The Danish University and Property Agency, file no. 11-101189

47. In section 38, subsection (8), 'or the Aarhus School of Business' is omitted.

43. Section 21, subsection (4), first sentence, is worded as follows:

'When offering full programmes abroad in cooperation with a cooperating university pursuant to section 3a, subsection (1), or in connection with research cooperation, the university may provide subsidies to one or more foreign universities.'

44. In section 26, subsection (2), '(5) and (7)' is amended to: '(8) and (10)'.

48. The following is inserted after section 40:

'40a. After negotiations with the Minister of Education and the Minister of Finance, the Minister for Science, Technology and Innovation may approve the merger of the Engineering College of Aarhus and Aarhus University. Section 26, subsection (4), third sentence, 'subsection (7)' is amended to: 'subsection (10)'. 2.

The Act on Technology Transfer etc. at Public Research Institutions, cf. Consolidation Act no. 753 of 17 June 2010, is amended as follows:

1. The title of the Act is amended as follows:

'Act on Public Research Institutions' Commercial Activities and Cooperation with Foundations'

2. Section 1 is worded as follows:

1. The purpose of the Act is to increase competitiveness and strengthen public research institutions by promoting the transfer of new knowledge and technology between public research institutions and industry, including the establishment of new research-based enterprises and supporting of other forms of co-operation between public research institutions, foundations and associations comprising income statement, balance sheet and fixed-asset movement schedule are prepared. The financial statements must be signed by the board and by the rector, cf. section 10, subsection (5), and section 14, subsection (6).

(2) The university's financial statements are audited by the Auditor General in accordance with the Act on Auditing of the State Accounts etc.

(3) The Auditor General and the Minister may agree that auditing tasks pursuant to subsection (2) be undertaken in cooperation between the Auditor General and an institutional auditor. The institutional audit is conducted by a state-authorised public accountant or a registered accountant.

(4) The university's financial statements are audited by the Auditor General in accordance with the Act on Auditing of the State Accounts etc.

(5) The Auditor General and the Minister may agree that auditing tasks pursuant to subsection (4) be undertaken in cooperation between the Auditor General and an institutional auditor. The institutional audit is conducted by a state-authorised public accountant or a registered accountant.

(6) The university's financial statements are audited by the Auditor General in accordance with the Act on Auditing of the State Accounts etc.

(7) The Auditor General and the Minister may agree that auditing tasks pursuant to subsection (6) be undertaken in cooperation between the Auditor General and an institutional auditor. The institutional audit is conducted by a state-authorised public accountant or a registered accountant.

(8) The university's financial statements are audited by the Auditor General in accordance with the Act on Auditing of the State Accounts etc.

(9) The Auditor General and the Minister may agree that auditing tasks pursuant to subsection (8) be undertaken in cooperation between the Auditor General and an institutional auditor. The institutional audit is conducted by a state-authorised public accountant or a registered accountant.

(10) The university's financial statements are audited by the Auditor General in accordance with the Act on Auditing of the State Accounts etc.

(11) The Auditor General and the Minister may agree that auditing tasks pursuant to subsection (10) be undertaken in cooperation between the Auditor General and an institutional auditor. The institutional audit is conducted by a state-authorised public accountant or a registered accountant.

universities under this provision. The public limited companies must have a domicile and head office in Denmark in accordance with their articles of association.

(2) The university's investment in companies under subsection (1) or acquisition of shares in such companies may not exceed the higher of the following amounts at any time of investment:

1) DKK 5 million or

2) 3% of the university's education subsidies from the Danish University and Property Agency in the relevant financial year.

(3) For the calculation under subsection (2), investments are included at their value on the investment date and shares are included at their value on acquisition or transfer.

(4) The participating university/universities must own the companies in full.

(5) A public limited company formed under subsection (1) may comply with its purpose by forming or acquiring shares in public or private limited companies which have the same purpose as the public limited company. Public limited companies formed under subsection (1) may not on their own or together own shares in companies covered by the first sentence to such an extent that the latter companies establish a connection to a single public limited company formed under subsection (1) or a single university like that of a subsidiary to a parent company under the Companies Act.

(6) The participating university/universities must use revenues in the form of profit from the public limited company for activities within the purpose of the university.

(7) In its annual report, the university must report investments and acquisitions under subsection (1) and the commercial transactions between the participating university/universities and the public limited companies in which the university holds shares.

(8) The Minister for Science, Technology and Innovation may, with the approval of the funding authorities, adjust the amount limits in subsection (2).

5. In section 5, subsection (1), and section 7, subsections (1) and (2), 'section 4' is amended to: 'sections 4 and 4a'.

6. Section 6 is worded as follows:

'6. A public limited company formed under this Act must have as its purpose to carry out activities with a commercial aim and on market terms in connection with either

1) technology transfer, cf. section 4, or

2) offering of programmes abroad, cf. section 4a.'

7. In section 8, subsection (1), no. 1), first sentence, the following is inserted after 'section 6,': 'no. 1),'

5. Employees and board members of the public research institution(s), which are shareholders in companies formed under section 4 and employee representatives in the public limited companies may not together constitute majorities on the companies' boards of directors.

7. A public limited company formed under section 4 may not acquire shares in companies other than public and private limited companies.

6. A public limited company formed under section 4 must have as its purpose to carry out activities in connection with technology transfer with a commercial aim and on market terms.

8. A public limited company formed under section 4 may comply with its purpose by:

1) Forming or acquiring shares in public or private limited companies which have the same purpose as public limited companies under section 6 together with other public limited companies formed under section 4, approved technological service institutes, the Growth Fund (*Vækstfonden*), municipalities and regions to the extent to which the respective authorities are entitled to do so according to other legislation. ---

8.

(2) Public limited companies formed under section 4 and universities may not, on their own or together, acquire shares in companies covered by subsection (1), nos. 1)-3), to such an extent that the latter companies obtain a connection to a single public limited company formed under section 4 or a single university like that of a subsidiary to a parent company under the Danish Companies Act. Public limited companies formed under section 4 and government research institutions may not, on their own or together acquire shares in companies covered by subsection (1), nos. 1)-3), to such an extent that the latter companies obtain a connection to a single public limited company formed under section 4 or one or more government research institutions like that of a subsidiary to a parent company under the Danish Companies Act.

(3) Public limited companies formed under section 4 with the same connection to one or more government research institutions as that of a subsidiary to a parent company under the Danish Companies Act may only form or acquire shares in companies covered by subsection (1), no. 4), if this takes place within the framework of a public limited company.

9. Where a public limited company formed under section 4 forms a company not covered by section 8, subsection (1), nos. 1)-4), or where it or a public research institution acquires shares in such company, the following applies:

1) Public limited companies formed under section 4 and public research institutions may not on their own or together obtain a connection to the company like that of a subsidiary to a parent company under the Danish Companies Act.

8. Does not apply to the English version.

3.

The Act on Social Housing etc., cf. Consolidation Act no. 1040 of 1 September 2010, as amended by Act no. 1610, section 1 of Act no. 1611 and section 1 of Act no. 1612 all of 22 December 2010, is amended as follows:

1. In *section 115, subsection (6), section 118, subsection (3), first sentence, and section 143, subsection (2), second sentence*, 'technology transfer etc. at public research institutions' is amended to: 'public research institutions' commercial activities and cooperation with foundations'.

115.---

(6) The local council of the local authority in which the dwellings are intended to be established may on behalf of central government make a commitment to granting loan repayment subsidies to independent institutions for the establishment of social dwellings intended for young people close to a university and supported by a foundation, cf. section 10, subsection (2), of the Act on Technology Transfer etc. at Public Research Institutions and established by way of

1) new construction;

2) ~~conversion or acquisition with subsequent~~
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conversion of existing properties not used for residential purposes.

118.---

(3) The acquisition price for social dwellings intended for young people close to universities pursuant to section 115, subsection (6) is financed by 78 per cent mortgage loans, 20 per cent basic capital paid by a foundation as mentioned in section 10, subsection (2), of the Act on Technology Transfer etc. at Public Research Universities and 2 per cent lease premiums. ---

143.---

(2) The provisions of section 115, subsection (8), sections 121 and 127-130, section 131, subsection (2), and sections 132-134 and 136-139 apply correspondingly to independent social dwellings intended for young people. However, for social dwellings intended for young people close to universities pursuant to section 115, subsection (6), the foundation as mentioned in section 10, subsection (2), of the Act on Technology Transfer etc. at Public Research Institutions must provide basic capital and the State must guarantee a loan pursuant to section 118, subsection (3). Such guarantee is calculated pursuant to the provisions in section 127, second to fourth sentences.

4.

(1) The Act enters into force on 1 July 2011, cf., however, subsections (2) and (3).

(2) Section 1, subsection (2), section 19, subsection (5), and section 28 of the University Act, as stipulated in section 1, nos. 1), 39) and 46), of this Act, enter into force on 1 January 2012.

(3) The Minister for Science, Technology and Innovation specifies the date on which section 1, nos. 3)-6), 38), 39) and 41)-45), will enter into force.

(4) The university's amended statutes must be submitted for the Minister's approval on 1 March 2012, at the latest.